

EXHIBIT 1



APPRAISAL REPORT

Five-Story Mixed-Use Apartment Building
78-80 St Marks Place
New York, NY 1003

Leitner Berman File #2022-0818

Steven H. Newman, Esq.
Katsky Korins LLP
605 Third Avenue
New York, New York 10158
snewman@katskykorins.com

Date of Value: February 9, 2022





9 East 40th Street, 9th Floor
New York, NY 10016
347-466-3264
www.leitnerberman.com

February 11, 2022

Steven H. Newman, Esq.
Katsky Korins LLP
605 Third Avenue
New York, New York 10158
snewman@katskykorins.com

Re: Leitner Berman File #2022-0818
Five-Story Mixed-Use Apartment Building
78-80 St Marks Place
New York, NY 1003

Dear Mr. Newman, Esq.,

As requested, we have prepared an appraisal of the above-captioned property, for the purpose of estimating the market value of the subject property's fee simple interest.

The subject property consists of a five-story, walk-up, mixed-use apartment building that contains a total of 14,400 square feet of gross building area. The building was constructed in 1850 +/- and is in fair-poor condition and is beyond its economic life. In our analysis, the building is effectively vacant. There are no apartments subject to rent regulations.

The subject property is on the south side of St Marks Place between 1st Avenue and 2nd Avenue in the East Village neighborhood of the Borough of Manhattan, New York County, City and State of New York. It is situated on one tax parcel, identified on the New York County tax maps as Block 449, Lot 28. The lot totals 4,875 square feet and is zoned R7A with a C1-5 Commercial overlay.

The property is currently configured as follows:

Current Configuration:	SF
Ground Floor (Bar and Theatre)	4,500
2nd Floor (Museum/First Floor of Triplex Apt)	2,100
3rd Floor (Office Space/Second Floor of Triplex Apt)	2,100
4th Floor (Apartment/Third Floor of Triplex Apt)	2,100
5th Floor (Apartment/Storage Space)	2,100
Leasable Square Footage:	12,900
Gross Building Area:	14,400
Gross Leasable Area	90%

Below we present the proposed configuration of the subject property which includes the conversion of second and third floor commercial spaces, as well as fifth floor storage space, into leasable residential space.

Proposed Configuration:	SF
Ground Floor (Bar and Theatre)	4,500
2nd Floor (Conversion of Museum into Apt/First Floor of Triplex Apt)	2,100
3rd Floor (Conversion of Office into Apt/Second Floor of Triplex Apt)	2,100
4th Floor (Apartment/Third Floor of Triplex Apt)	2,100
5th Floor (Apartment/Conversion of Storage Space into Apt)	2,100
Retail Leasable Square Feet	4,500
Residential Leasable Square Feet	8,400
Total Leasable Square Feet:	12,900
Gross Building Area:	14,400
Leasable Area:	90%
Common Area Loss Factor:	10%

Following the renovation/reconfiguration of the subject property, the improvements would include 4,500 square feet of leasable grade level/slightly below grade level retail space, and 8,400 square feet of leasable apartment square footage on floors 2-5.

The subject's highest and best use "As Improved" is not its current use, rather it is a renovation into a traditional mixed-use apartment building with grade level retail and apartments above. This conclusion is based on its zoning, physical characteristics, location, and forecasted economic conditions.

The opinions and conclusions utilized in this report were developed based on, and prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

Based on our inspection of the subject property and after carefully considering all available information concerning the subject and all apparent factors affecting value, it is our opinion that the "as is" market value of the fee simple interest the subject property, is:

Appraisal Premise	Date of Value	Value Conclusion
"As Is" Market Value	February 9, 2022	\$10,200,000

The opinions of value herein are qualified by certain assumptions, limiting conditions, and certification described in the following appraisal report.

If you have any questions or concerns regarding this assignment, please contact the undersigned via phone or email address listed below.

Very truly yours,



Adam Wolk
awolk@leitnerberman.com
516-316-2449
Associate Appraiser



Joel Leitner, MAI
jleitner@leitnerberman.com
347-466-3264
Certified General Appraiser
State of New York (License # 46-3011)

SUBJECT PROPERTY PHOTOGRAPH





SUMMARY OF SALIENT FACTS

GENERAL INFORMATION

Property Type:	Five-Story Mixed-Use Apartment Building
Address:	78-80 St Marks Place New York, NY 1003
Location:	The subject property is on the south side of St Marks Place between 1st Avenue and 2nd Avenue in the East Village neighborhood of the Borough of Manhattan, New York County, City and State of New York.
Property Description:	The subject property consists of a five-story, walk-up, mixed-use apartment building that contains a total of 14,400 square feet of gross building area.
Gross Building Area:	14,400 square feet above grade.
Total Units:	8 units currently. Unknown post renovation.
Residential Units:	3 units currently, including one triplex apartment, and two additional apartments.
Commercial Units:	5 units currently, of which two are grade level retail, two are office, and one is storage. Unknown post renovation.
Occupancy:	The building is considered vacant.
Year Built/Condition:	1850 +/-/fair-poor

SITE DESCRIPTION

Site Size:	4,875 square feet
Assessor's Parcel Number:	New York County tax maps: Block 449, Lot 28.
Zoning:	R7A with a C1-5 Commercial overlay
Census Tract:	38
FEMA Flood Map:	Zone X of FEMA flood map 3604970201F, dated September 5, 2007.

HIGHEST AND BEST USE

As Vacant:	Development of a mixed-use apartment building with grade level retail and apartments above.
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As Improved: Renovation into a traditional mixed-use apartment building with grade level retail and apartments above.

RELEVANT DATES

Effective Date of Value: February 9, 2022

Date of Inspection: February 9, 2022

GENERAL INFORMATION

Marketing Time: Between six months and one year.

Exposure Time: Between six months and one year.

Property Rights Appraised: Fee simple interest

Intended User: Steven H. Newman, Esq.

Intended Use: The intended use is for legal due diligence.

VALUE APPROACHES

SUMMARY OF VALUE CONCLUSIONS		
Methodology	Date of Value	Value Conclusion
Income Capitalization Approach "As Is"	February 9, 2022	\$10,200,000
Income Capitalization Approach "Value In Use"	February 9, 2022	\$7,200,000
Sales Comparison Approach "As Is"	February 9, 2022	\$10,200,000
Sales Comparison Approach "Value In Use"	February 9, 2022	\$7,200,000
Cost Approach	February 9, 2022	N/A

RECONCILED VALUES

Appraisal Premise	Date of Value	Value Conclusion
"As Is" Market Value	February 9, 2022	\$10,200,000

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INTRODUCTION AND DEFINITIONS

Identification of the Subject Property

The subject property consists of a five-story, walk-up, mixed-use apartment building that contains a total of 14,400 square feet of gross building area. The subject property is on the south side of St Marks Place between 1st Avenue and 2nd Avenue in the East Village neighborhood of the Borough of Manhattan, New York County, City and State of New York. It is identified on the New York County tax maps as Block 449, Lot 28, and is known by the address of 78-80 St Marks Place, New York, NY 1003.

In addition to the above identification, we have included the following metes and bounds identification:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, known and designated as Lot Nos. 109 and 110 on a certain map entitled, "Map showing a division of a part of the real estate late of Nicholas W. Stuyvesant, deceased, among his heirs, situate in the 11th Ward of the City of New York", made by Samuel Doughty, C.S. dated May 1834 and filed in the Office of the Register of the County of New York on April 24, 1835, as Map No. 81. (now 81-B) and being more particularly bounded and described according to said map as follows:

BEGINNING at a point on the southerly side of St. Marks Place, distant 50 feet westerly from the corner formed by the intersection of the southerly side of St. Marks Place with the westerly side of First Avenue;

RUNNING THENCE westerly along the southerly side of St. Marks Place, 50.00 feet;

THENCE southerly parallel with the westerly side of First Avenue, a distance of **97.50 feet, actual and tax map (89.60 feet deed)**;

THENCE easterly and parallel with the southerly side of St. Marks Place, a distance of 50.00 feet;

THENCE northerly parallel with the westerly side of First Avenue, a distance of **97.50 feet, actual and tax map (89.60 feet deed)** to the point or place of BEGINNING.

Property Ownership and Recent History

The current owner of record is 78-80 St. Marks Place, LLC . The subject property has not sold within the past five years (other than the non-monetary deed transfer included in the chart below) and is not currently under contract for sale or being marketed for sale.

Address	Sale Date	Sale Price	Grantor	Grantee
78-80 St Marks Place	11/12/2019	\$0	Lawrence Victor Otway, As Trustee	78-80 St. Marks Place, LLC

On or about May 15, 2021, Lee and Associates was hired to sell the subject property. An offering memorandum was promulgated with an asking price of \$13,500,000. Only one offer was made at approximately \$9,300,000. On or about July 15, 2021, the subject property was taken off the market. A copy of the offering memorandum is provided in the Addenda of the report.

Dates of Inspection and Valuation

The effective date of the appraisal is defined as the date at which the analyses and opinions of value in an appraisal applies. Our date of valuation is February 9, 2022. The subject property was inspected by Adam Wolk on this date. Joel Leitner, MAI inspected the property via Facetime.

Client and Intended User of Report

Steven H. Newman, Esq. is the client and intended user of this report.

Intended Use of Report

The intended use of the report is for legal due diligence.

Definition of Value¹

This appraisal provides an opinion of market value for the subject property as of the effective date of value. Market value, utilized herein, is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ Source: Federal Register, Vol. 55, No. 161, Rules and Regulations 12 CFR, part 323, August 20, 1990. Uniform Standards of Professional Practice, Copyright 1990 by the Appraisal Foundation.

Definition of Real Estate-Related Transaction²

A real estate-related transaction is any transaction involving:

- The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; or
- The refinancing of real property or interests in real property; or
- The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

Property Interest Appraised³

The value estimated represents the fee simple interest. The fee simple interest is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat.

The property was also analyzed on a "Value In Use" basis. "Value In Use" is defined as:

The value of a property assuming a specific use, which may or may not be the property's Highest and Best use, as of the effective date of the appraisal.

Scope of Work

The appraisal report is intended to comply with reporting requirements outlined in Standards Rule 2 of USPAP. The scope of the assignment relates to the assignment in which research and data is gathered and compiled. Leitner Berman completed the following steps for this assignment:

Extent to Which the Property is Identified

- Postal Address
- Assessor's Records
- Survey
- Legal Description

Extent of Property Inspection

Adam Wolk inspected the interior of the subject property as well as its surrounding environs on the date of inspection. Joel Leitner, MAI inspected the property via Facetime. The inspection was considered an adequate representation of the property and the basis for our findings.

² 12 U.S.C. 3350(5) (FIRREA section 1121(5)).

³ Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, page 128 (Chicago: Appraisal Institute, 2015)

Extent of Analysis

Leitner Berman gathered and analyzed data using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. These steps will be further outlined in the methodology section of each approach to value.

Collection of Data

Information contained in this appraisal report was collected from the following sources:

- Property inspection: February 9, 2022
- New York City zoning, planning, and assessment records
- Information provided by ownership
- Data services provided by: Costar, PropertyShark, and Environics.

Estimate of Exposure Time

Exposure time is defined as:

- 1) The time a property remains on the market.
- 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Based on a review of national investor surveys, information gathered during the sales verification process, and discussions with various market participants, a reasonable exposure time for the subject property at the value concluded within this report would be approximately six (6) to twelve (12) months.

Estimate of Marketing Time

Marketing time is defined as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

The above exposure time assumes an active and professional marketing plan would have been employed by the current owner. Based on the assumptions employed in the analysis, as well as our selection of investment parameters for the subject, the value conclusion represents a price achievable within a marketing time of approximately six (6) to twelve (12) months.

Extraordinary Assumptions

According to The Dictionary of Real Estate Appraisal (6th Edition), an Extraordinary Assumption is "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis."

This appraisal does not employ any extraordinary conditions.

Hypothetical Conditions

According to The Dictionary of Real Estate Appraisal (6th Edition), a Hypothetical Condition is "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

This appraisal does not employ any hypothetical conditions.

Competency

We have experience appraising similar properties and possess the knowledge and competency to produce a credible value opinion. Joel Leitner, MAI, has experience appraising similar properties and assignments, while possessing the knowledge and competency to produce credible value opinion. Joel Leitner, MAI is actively engaged in appraisal work in the geographical area of the subject property, and Leitner Berman maintains a database of comparable properties for this area. Further, Joel Leitner, MAI is versed in the analytical methods typically employed in appraising this property type. In summary, the appraisers collectively possess adequate knowledge of the property type, geographical location, and analytical methods necessary to comply with the competency requirements of USPAP for this appraisal assignment.

ECONOMIC OVERVIEW AND IMPACT OF COVID-19

New York City Covid-19 Overview

The below analysis is taken from the Partnership for New York City, January 2022 Report: NYC's signs of Economic Recovery:

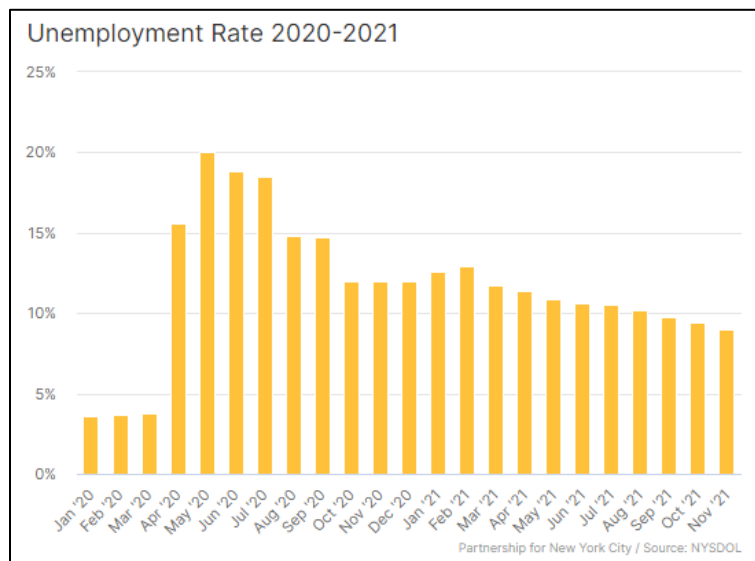
Overview

The city's economy continued its steady recovery from the worst of the COVID-19 pandemic through early winter 2021. Bright spots include record venture capital funding and pandemic-era highs in hotel occupancy and subway ridership. The city's employment gains have slowed, however, and nearly 360,000 New Yorkers remain unemployed. The December resurgence in COVID-19 cases threatens to further slow the jobs recovery and the return of remote workers and tourists.

Key Statistics

Unemployment Rates

- 9% unemployment rate in November, down from 9.4% in October and a peak of 20% in May 2020.
- 358,800 unemployed city residents in November 2021.
- 80,200 city residents received unemployment insurance benefits in November, down 13% from 92,500 in October and the fewest since February 2020.
- In 2019, there was an average of 62,700 monthly beneficiaries.
- 69.6% of city residents aged 16 to 64 were either working or actively looking for work during the three months ended November 2021, down slightly from 70.6% during the same period in 2019.



Employment

- New York City added 11,800 private sector jobs in November.
- Industries with the largest employment growth from October to November include:
 - Transportation and warehousing: 6% increase
 - Information: 2% increase
 - Other services: 2% increase
- As of November 2021, the city has recovered 497,000 jobs, or 54%, of the 922,200 private sector jobs lost during the early months of the pandemic.
 - Private sector employment is 425,100 jobs (10%) below February 2020 levels.

Job Postings

- NYC employers had listings for 448,300 job postings in November 2021, up 4% from 430,815 in October.
 - Positions that can be filled by remote workers rose to a new high of 54,600 in November, up from 10,400 pre-pandemic.
- Professional services, administrative services, information, retail and financial services had the greatest number of job postings.

Venture Capital

- New York City-based startups raised \$35 billion in venture capital (VC) funding in 2021 through Q3, surpassing the \$23 billion annual funding record set in 2019 and more than doubling the \$17 billion in VC raised in 2020.
- The city's fintech and life sciences sectors both attracted record amounts of VC funding through Q3 2021, raising \$8.9 billion and \$1.9 billion, respectively.
- New York City-based companies securing notable funding rounds include:
 - Manhattan-based training and e-learning provider Articulate Global raised \$1.5 billion.
 - Manhattan-based enterprise software company UiPath raised \$750 million.
 - Brooklyn-based healthcare startup Cityblock Health raised \$400 million.
- Startups in the San Francisco Bay Area have raised \$118 billion in VC funding in 2021 through Q3.
 - New York City startups are steadily closing the VC funding gap: so far in 2021, Bay Area startups have outraised New York City startups by a ratio of 3:1, down from a ratio of 6:1 in 2010.
 - In 2019, New York City startups attracted about half as much capital as Bay Area startups, a recent high.



Return to Office (Subject to change due to COVID-19)

- 49% of Manhattan office workers are expected in the office on an average weekday by January 30, 2022, according to a Partnership survey of employers released in November 2021.
 - 57% of office employees are expected in the office at least three days a week while 21% will remain fully remote.

Sales Taxes

- Sales tax collections totaled \$672 million in October 2021, an increase of 8% compared to \$621 million in November 2020 and up 3% from \$655 million in 2019.

Tourism

- 81.5% occupancy rate in New York City hotels during the week ending December 11, prior to the spike in Omicron cases in recent weeks.
 - Occupancy was the highest since the onset of the pandemic but down from 93.7% during the same week in 2019.
 - The average daily rate for a hotel room in the city was \$337 for the week ending Dec. 11, the third highest in the U.S. behind only Maui and the Florida Keys.
- 233,000 pedestrians visited Times Square during the average day in November 2021, the most since February 2020 but down 31% from November 2019.

Business Licenses

- 359 business licenses were issued in November, up 65% from November 2020 and down just 1% from November 2019.

MTA Ridership



- Subway ridership reached 3.44 million on December 9, the highest since March 2020.
- Average weekday subway ridership was 3.06 million in November, down slightly from 3.11 million in October.
 - Weekday ridership is down 43% from pre-pandemic levels as of the week ending December 10.

Bus

- Bus ridership averaged 1.36 million during weekdays in November 2021, down from a pandemic high of 1.46 million in October.
- Weekday bus ridership has recovered more quickly than subway ridership and is down 35% from pre-pandemic levels as of the week ending December 10.

LIRR

- Long Island Rail Road (LIRR) weekday ridership averaged 154,000 in November, the highest since the onset of the pandemic but down 47% from pre-pandemic levels.

Metro-North

- Metro-North weekday ridership averaged 127,000 in November, 52% below pre-pandemic levels.

Bridges and Tunnels

- Vehicles traveling via MTA-operated bridges and tunnels on weekdays averaged 912,000 in November, level with pre-pandemic traffic.

Conclusion

The above data indicates that the local economy is springing back to life, although more recently, COVID fears may be creeping up again as the additional strains are becoming prevalent; and with shortages in the workforce in certain sectors, as well inflated prices for many items (gas, foods and construction materials), there still may be some difficult times ahead.

AREA ANALYSIS – NEW YORK CITY



The New York Metropolitan Statistical Area (MSA) consists of the five boroughs of New York City: Manhattan, Queens, Brooklyn, Staten Island, and the Bronx, as well as Westchester County and Rockland County. New York City's five boroughs cover 309 square miles with Manhattan Island (22.82 square miles) geographically centered (approximately) between the four other boroughs (north south and east and New Jersey (west).

New York City is the nation's center for finance, the arts, media, fashion, telecommunications, and corporate headquarters. Manhattan (New York County) forms the central political, financial, and cultural core of the City and is the economic growth for the Greater New York region; Brooklyn (Kings County) and Queens (Queens County) are the largest boroughs (70.82 acres and 108.53 acres, respectively) and have the largest economies behind Manhattan. The Bronx (Bronx County) is second smallest borough (42.10 acres) and is the least affluent county in New York City, although still includes some of the city's most famous attractions such as the Bronx Zoo. Staten Island (Richmond County) is a has lowest density of the five boroughs with much of Staten Island more typical of suburban sprawl.

Manhattan Island is loosely divided into Downtown (Lower Manhattan), Midtown (Midtown Manhattan), and Uptown (Upper Manhattan), with Fifth Avenue dividing Manhattan lengthwise into its East Side and West Side. Manhattan Island is bounded by the Hudson River to the west and the East River to the east. To the north, the Harlem River divides Manhattan Island from the Bronx and the mainland United States.

NYC Total Population Trend						
	1980	1990	2000	2010	2021 Est	2026 Est
Overall	7,071,639	7,322,564	8,000,326	8,175,133	8,316,548	8,312,862
% Change		3.55%	9.26%	2.18%	1.73%	-0.04%
Bronx	1,168,972	1,203,789	1,332,648	1,385,108	1,414,709	1,415,085
% Change		2.98%	10.70%	3.94%	2.14%	0.03%
Brooklyn	2,230,936	2,300,664	2,465,323	2,504,700	2,552,105	2,549,773
% Change		3.13%	7.16%	1.60%	1.89%	-0.09%
Manhattan	1,428,285	1,487,536	1,529,252	1,585,873	1,629,949	1,638,328
% Change		4.15%	2.80%	3.70%	2.78%	0.51%
Queens	1,891,325	1,951,598	2,229,377	2,230,722	2,242,945	2,230,728
% Change		3.19%	14.23%	0.06%	0.55%	-0.54%
Staten Island	352,121	378,977	443,726	468,730	476,840	478,948
% Change		7.63%	17.09%	5.64%	1.73%	0.44%

New York City is home to more than 8 million people in over 3 million households. As of 2021 estimates, Brooklyn is the most populous borough with 30.69% of the City's population. Queens is the second most populous borough with 26.97% of the City's population. Manhattan's 1.62 million residents, at approximately 71,000 residents per square mile, make it one of the most densely populated residential areas in the nation. While the 1980's and 1990's saw the continuing trend of migration of city residents to neighboring suburbs, due primarily to high housing costs and density of living, the total population is bolstered by the large number of immigrants arriving in the city each year. After a strong period of population growth between 1990 and 2000 (9.26%), population has been relatively stagnant growth has been relatively stagnant since 2000. The 9/11 attacks may have attributed to stagnant growth as well as technology which has enabled a remote workforce. Population is projected to remain relatively stagnant through 2026, noting that COVID may contribute to a declining population. Despite the recent leveling of population, the City's population still totals over 42% of the state's total population. Except for Staten Island, each of New York City's five boroughs has a population greater than 1,000,000.

New York City Economy and Employment

The economy of New York City is the biggest regional economy in the United States and is home to the New York Stock Exchange and NASDAQ, the world's largest stock exchanges by market capitalization and trading activity. New York is distinctive for its high concentrations of advanced service sector firms in fields such as law, accountancy, banking, and management consultancy. Likewise, creative industries such as new media, advertising, fashion, design, and architecture account for a growing share of employment, with New York City possessing a strong competitive advantage in these industries.

New York City's employment base has historically enjoyed the distinction as an international center of business, commerce, tourism, and culture. The FIRE (finance, insurance, and real estate) and services (including the professions of legal, engineering services, consulting, tourism, recreation, health care, computers and data processing) segments are considered the primary sources of "white collar," or office prone, employment in the region. The top private sector employers in New York City are presented as follows:

Employer	# of Area Employees
New York City Health and Hospitals Corp.	45,414
JPMorgan Chase & Co.	40,810
Mount Sinai Health System	33,642
Montefiore Medical Center	29,755
NYU Langone Health	24,473
New York-Presbyterian Hospital	21,459
New York University	19,283
Columbia University	18,157
Citigroup Inc.	17,300
Morgan Stanley	15,987

Source: Crain's Book of Lists 2021

New York City's largest employers are public entities and a diverse group of multinational corporations spanning a variety of industries including financial services/banking, telecommunications, health care, insurance, and pharmaceuticals.

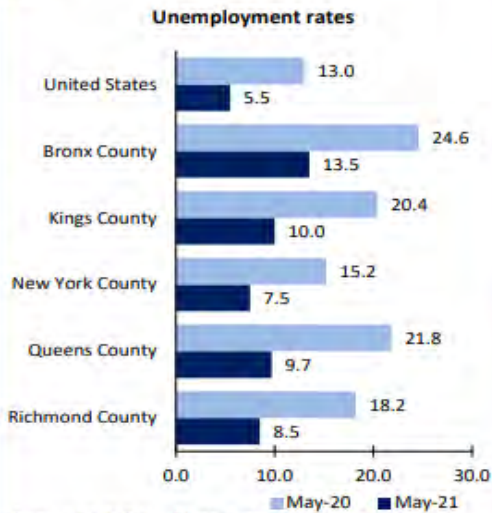
Businesses in New York City can capitalize on the synergy created from the presence of more than 200,000 companies, the access to investment capital and consumers, and the City's attractive quality of life. Companies in New York City include headquarters and regional offices of leading world companies including 52 Fortune 500 firms—the second highest of any city in the United States followed by California which has 54 Fortune 500 firms—making New York one of the nation's headquarters capital.

New York City Economic Summary

Updated June 30, 2021

This summary presents a sampling of economic information for the area; supplemental data are provided for regions and the nation. Subjects include **unemployment, employment, wages, prices, spending, and benefits**. All data are not seasonally adjusted and some may be subject to revision. Area definitions may differ by subject. For more area summaries and geographic definitions, see www.bls.gov/regions/economic-summaries.htm.

Unemployment rates for the nation and selected areas

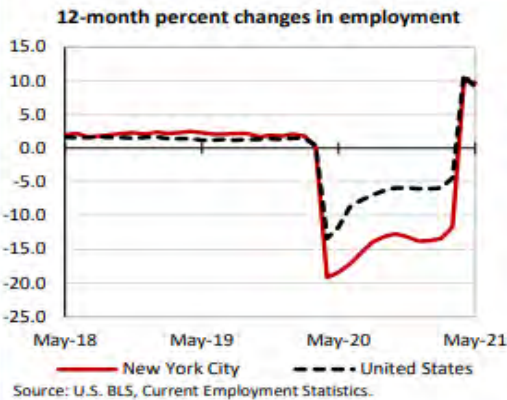


Average weekly wages for all industries by county

New York City, fourth quarter 2020
(U.S. = \$1,339)

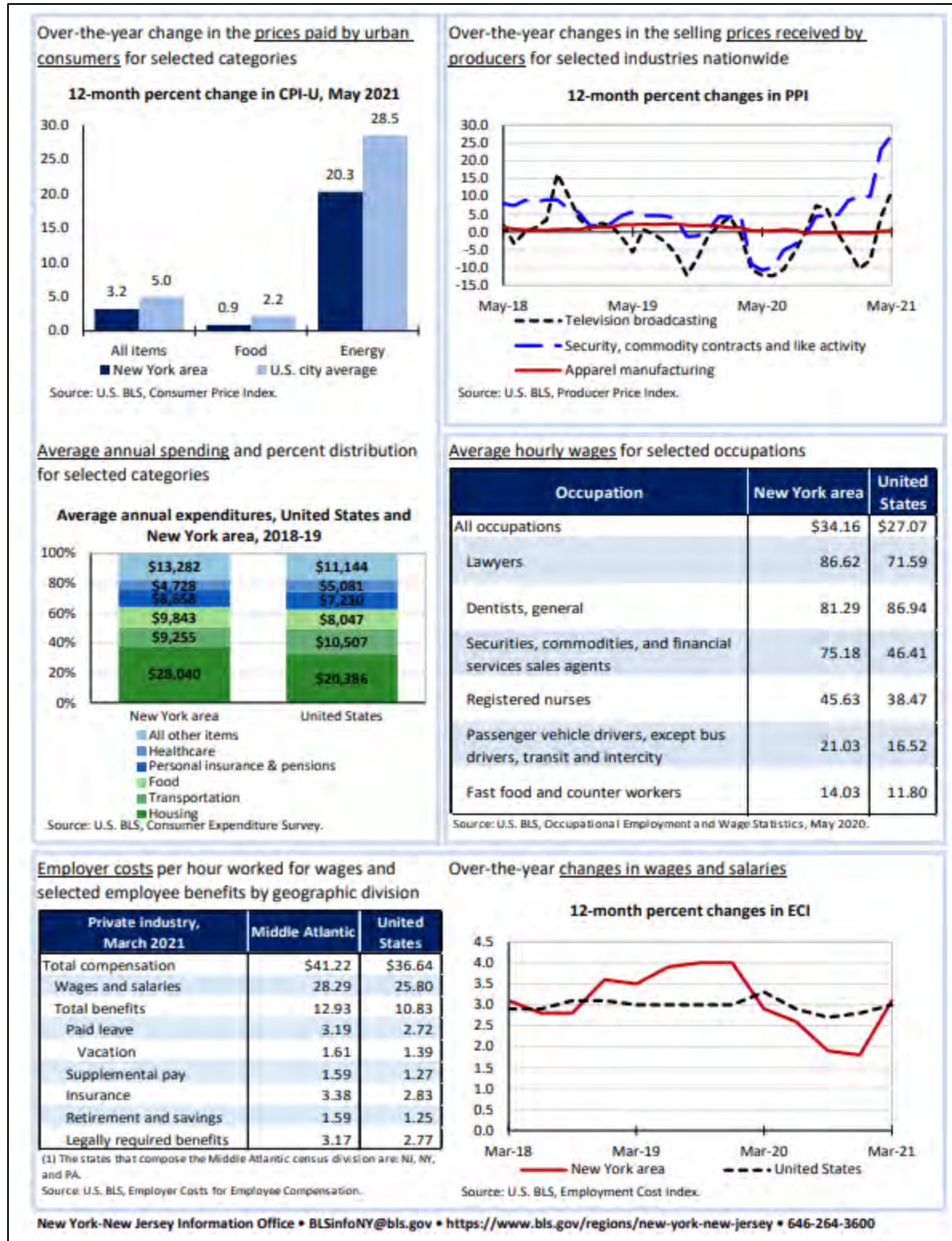


Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector

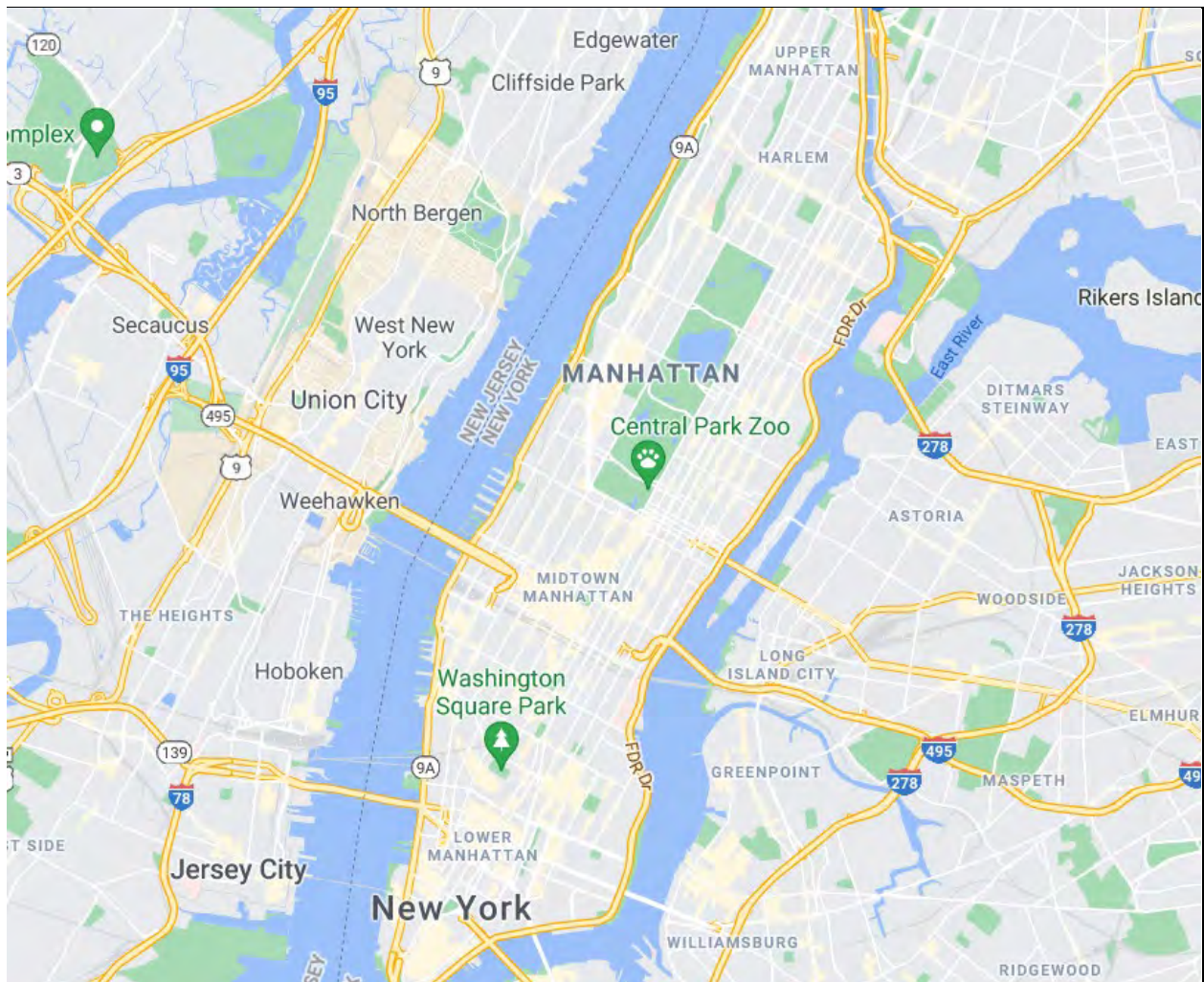


New York City employment (number in thousands)	May 2021	Change from May 2020	
		Number	Percent
Total nonfarm	4,165.0	369.1	9.7
Mining, logging, and construction	136.7	27.4	25.1
Manufacturing	53.1	9.8	22.6
Trade, transportation, and utilities	534.1	83.0	18.4
Information	212.2	15.8	8.0
Financial activities	459.9	-2.2	-0.5
Professional and business services	715.1	35.0	5.1
Education and health services	1,042.1	85.8	9.0
Leisure and hospitality	273.1	91.8	50.6
Other services	159.7	26.9	20.3
Government	579.0	-4.2	-0.7

Source: U.S. BLS, Current Employment Statistics.



MANHATTAN (NEW YORK COUNTY) REGIONAL ANALYSIS



Manhattan is the most densely populated of the five boroughs of New York City and serves as the city's economic, administrative, historical, and cultural center. It consists of Manhattan Island, bound by the Hudson River to the west, the East River to the east, the Harlem River to the north, and New York Harbor to the south. Neighboring boroughs are the Bronx to the north, Queens to the east, and Brooklyn to the south.

Manhattan has been described as the cultural, financial, media, and entertainment capital of the world, and the borough hosts the United Nations Headquarters. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and Manhattan is home to the world's two largest stock exchanges by total market capitalization: the New York Stock Exchange and NASDAQ. Many multinational media conglomerates are based in Manhattan, and the borough has been the setting for numerous books, films, and television shows.

History

Manhattan traces its origins to a trading post founded by colonists from the Dutch Republic in 1624 on Lower Manhattan; the post was named New Amsterdam in 1626. Manhattan is historically documented to have been purchased by Dutch colonists from Native Americans in 1626 for 60 guilders, which equals roughly \$1,059 in current terms. The territory and its surroundings came under English control in 1664 and were renamed New York after King Charles II of England granted the lands to his brother, the Duke of York. New York, based in present-day Manhattan, served as the capital of the United States from 1785 until 1790. The Statue of Liberty greeted millions of immigrants as they came to America by ship in the late 19th century and is a world symbol of the United States and its ideals of liberty and peace. Manhattan became a borough during the consolidation of New York City in 1898.

Education

Education in Manhattan is provided by a vast number of public and private institutions. Public schools in the borough are operated by the New York City Department of Education, the largest public school system in the United States with over 1.1 million students taught in more than 1,800 separate schools. The department covers all five boroughs of New York City and has an annual budget of nearly \$25 billion.

The City University of New York (CUNY), the municipal college system of New York City, is the largest urban university system in the United States, serving more than 226,000-degree students and a roughly equal number of adults, continuing and professional education students. A third of college graduates in New York City graduate from CUNY, with the institution enrolling about half of all college students in New York City. CUNY senior colleges located in Manhattan include Baruch College, City College of New York, Hunter College, John Jay College of Criminal Justice, and the CUNY Graduate Center (graduate studies and doctorate granting institution). The only CUNY community college located in Manhattan is the Borough of Manhattan Community College. The State University of New York is represented by the Fashion Institute of Technology, State University of New York State College of Optometry, and Stony Brook University – Manhattan.

Manhattan has various colleges and universities, including Columbia University (and its affiliate Barnard College), Cooper Union, Marymount Manhattan College, New York Institute of Technology, New York University (NYU), The Juilliard School, Pace University, Berkeley College, The New School, Yeshiva University, and a campus of Fordham University. Other schools include Bank Street College of Education, Boricua College, Jewish Theological Seminary of America, Manhattan School of Music, Metropolitan College of New York, Parsons School of Design, School of Visual Arts, Touro College, and Union Theological Seminary.

Manhattan is a world center for training and education in medicine and the life sciences. The city as a whole receives the second-highest amount of annual funding from the National Institutes of Health among all U.S. cities, the bulk of which goes to Manhattan's research institutions, including Memorial Sloan-Kettering Cancer Center, Rockefeller University, Mount Sinai School of Medicine, Columbia University College of Physicians and Surgeons, Weill Cornell Medical College, and New York University School of Medicine.

Culture

New York City has been described as the cultural capital of the world. The culture of New York is reflected in its size and ethnic diversity. Many American cultural movements first emerged in the city. The Harlem Renaissance established the African American renaissance in the United States. Large numbers of Irish, Italian, Jewish, and ultimately Asian and Hispanic Americans also emigrated to New York throughout the 20th century, significantly influencing the culture and image of New York. The American modern dance developed in New York in the early 20th century. The city was the top venue for jazz in the 1940s, expressionism in the 1950s and home to hip hop, punk rock, and the Beat Generation. The Stonewall Inn in Greenwich Village, Lower Manhattan, is a designated U.S. National Historic Landmark and National Monument, as the site of the June 1969 Stonewall riots and the cradle of the modern gay rights movement.

Broadway theatre is often considered the highest professional form of theatre in the United States. Plays and musicals are staged in one of the 39 larger professional theatres with at least 500 seats, almost all in and around Times Square. Off-Broadway theatres feature productions in venues with 100–500 seats. Lincoln Center for the Performing Arts, anchoring Lincoln Square on the Upper West Side of Manhattan, is home to 12 influential arts organizations, including the Metropolitan Opera, New York City Opera, New York Philharmonic, and New York City Ballet, as well as the Vivian Beaumont Theater, the Juilliard School, Jazz at Lincoln Center, and Alice Tully Hall. Performance artists displaying diverse skills are ubiquitous on the streets of Manhattan.

Manhattan is also home to some of the most extensive art collections in the world, both contemporary and classical art, including the Metropolitan Museum of Art, the Museum of Modern Art (MoMA), the Frick Collection, the Whitney Museum of American Art, and the Frank Lloyd Wright-designed Guggenheim Museum. The Upper East Side has many art galleries, and the downtown neighborhood of Chelsea is known for its more than 200 art galleries that are home to modern art from both upcoming and established artists. Many of the world's most lucrative art auctions are held in Manhattan.

Transportation

Manhattan is unique in the U.S. for intense use of public transportation and lack of private car ownership. While 88% of Americans nationwide drive to their jobs, with only 5% using public transport, mass transit is the dominant form of travel for residents of Manhattan, with 72% of borough residents using public transport to get to work, while only 18% drove.

The New York City Subway, the largest subway system in the world by number of stations, is the primary means of travel within the city, linking every borough except Staten Island. There are 151 subway stations in Manhattan, out of the 472 stations. A second subway, the PATH system, connects six stations in Manhattan to northern New Jersey.

Commuter rail services operating to and from Manhattan are the Long Island Rail Road (LIRR), which connects Manhattan and other New York City boroughs to Long Island; the Metro-North Railroad, which connects Manhattan to Upstate New York and Southwestern Connecticut; and NJ Transit trains, which run to various points in New Jersey.

The metro region's commuter rail lines converge at Penn Station and Grand Central Terminal, on the west and east sides of Midtown Manhattan, respectively. They are the two busiest rail stations in the United States. About one-third of users of mass transit and two-thirds of railway passengers in the country live in New York and its suburbs. Amtrak provides inter-city passenger rail service from Penn Station to Boston, Philadelphia, Baltimore, and Washington, D.C.; Upstate New York and New England; cross-Canadian border service to Toronto and Montreal; and destinations in the Southern and Midwestern United States.

Major highways serving Manhattan include I-78, I-97, I-278, I-478, and I-495.

Cycling is increasingly popular in New York City; in 2018 there were approximately 510,000 daily bike trips, compared with 170,000 daily bike trips in 2005.

Conclusion

Manhattan provides an economic, cultural, and education center for the United States. In the aftermath of the Covid-19 virus, jobs were lost in widespread fashion and have only slowly been creeping back to numbers more in line with national averages. As the nation continues to work through the current pandemic, Manhattan will remain a fixture for businesses not only nationally, but across the globe, giving hope for a full recovery from the Covid-19 virus on Manhattan's economy.

Demographics: Manhattan (New York County) / NYC Metro

The following demographic profile, assembled by Environics Analytics, a nationally recognized compiler of demographic data, reflects the subject property's New York County compared to the rest of the NYC Metro area. The local area is projected to have a 2021 population of 1,629,949 in 788,725 household units. The current projections, as forecasted by Environics Analytics, are as follows:

UNIVERSE TOTALS

Description	New York County			NYC Metro		
	2021 Estimate	% Change 2010- 2021	% Change 2021-2026	2021 Estimate	% Change 2010-2021	% Change 2021-2026
Universe Totals						
Population	1,629,949	2.78%	0.51%	19,200,306	1.60%	0.18%
Households	788,725	3.26%	0.65%	7,062,928	2.08%	0.31%
Families	316,531	2.49%	0.47%	4,623,079	1.59%	0.19%
Housing Units	837,629			7,455,975		

Household Income

The estimated average household income is \$158,425, while the median income is \$93,511. Approximately 19.8% of households have an income of less than \$25,000, while 33.4% of the households earn over \$150,000 per year.

HOUSEHOLD INCOME

Households by Household Income	New York County	% of Total	NYC Metro	% of Total
2021 Est. Households by Household Income	788,725		7,062,928	
Income < \$15,000	\$98,092	12.4%	\$675,990	9.6%
Income \$15,000 - \$24,999	\$57,917	7.3%	\$497,173	7.0%
Income \$25,000 - \$34,999	\$43,218	5.5%	\$454,828	6.4%
Income \$35,000 - \$49,999	\$57,120	7.2%	\$629,443	8.9%
Income \$50,000 - \$74,999	\$82,956	10.5%	\$917,772	13.0%
Income \$75,000 - \$99,999	\$73,009	9.3%	\$776,756	11.0%
Income \$100,000 - \$124,999	\$62,390	7.9%	\$658,293	9.3%
Income \$125,000 - \$149,999	\$50,360	6.4%	\$525,983	7.4%
Income \$150,000 - \$199,999	\$66,593	8.4%	\$693,652	9.8%
Income \$200,000 - \$249,999	\$40,248	5.1%	\$384,432	5.4%
Income \$250,000 - \$499,999	\$69,388	8.8%	\$479,947	6.8%
Income \$500,000+	\$87,434	11.1%	\$368,659	5.2%
2021 Est. Average Household Income	\$158,425		\$128,486	
2021 Est. Median Household Income	\$93,511		\$85,949	

Population Characteristics

New York County has an average age of 41 and a median age near 39. 28.64% of the area population is aged 54 and over, while 14.87% is younger than 18 years old.

AGE CHARACTERISTICS

2021 Est. Population by Age	New York County	% of Total	NYC Metro	% of Total
Age 0-17	242,236	14.87%	4,095,342	21.34%
Age 18-34	476,502	29.23%	4,381,798	22.83%
Age 35-54	444,314	27.26%	5,006,762	26.08%
54 and above	466,897	28.64%	5,716,404	29.77%
2021 Est. Median Age	39		39	
2021 Est. Average Age	41		40	

In terms of household size, 46.6% of households are single persons, 29.8% have two persons, and 11.7% have 3 persons. Only 5.0% of households have five or more.

HOUSEHOLDS BY SIZE

2021 Est. Households by Household Size	New York County	% of Total	NYC Metro	% of Total
1-person	367,490	46.6%	1,981,361	28.1%
2-person	234,658	29.8%	1,996,385	28.3%
3-person	92,145	11.7%	1,189,331	16.8%
4-person	54,952	7.0%	993,045	14.1%
5-person	22,834	2.9%	503,106	7.1%
6-person	9,530	1.2%	219,784	3.1%
7-or-more-person	7,116	0.9%	179,916	2.6%

Educational Attainment

The population is relatively well educated. 12.7% have not earned a high school diploma in contrast to 31.74% with a bachelor's degree and 29.3% with advanced degrees.

Educational Attainment	New York County	% of Total	NYC Metro	% of Total
2021 Est. Pop Age 25+ by Edu. Attainment	1,261,994		13,479,435	
Less than 9th grade	89,912	7.12%	919,291	6.82%
Some High School, no diploma	70,159	5.56%	864,413	6.41%
High School Graduate (or GED)	162,214	12.85%	3,319,029	24.62%
Some College, no degree	120,619	9.56%	1,972,983	14.64%
Associate Degree	48,884	3.87%	907,867	6.74%
Bachelor's Degree	400,595	31.74%	3,190,131	23.67%
Master's Degree	229,898	18.22%	1,641,888	12.18%
Professional School Degree	92,678	7.34%	446,465	3.31%
Doctorate Degree	47,035	3.73%	217,368	1.61%

Employment Dynamics

According to Environics Analytics, 79.25% of workers are characterized as "white collar," while 6.58% are engaged in "blue collar" activities. 14.17% of the employed population works in the service and farm sectors. Within these broad categories, the largest employment sectors in the city are Management (16.7%), Business/Financial Operations (10.5%), and Sales/Related (10.1%).

OCCUPATION CLASSIFICATION

Occupation Classification	New York County	% of Total	NYC Metro	% of Total
2021 Est. Pop 16+ by Occupation Classification	893,814		9,429,698	
White Collar	708,369	79.25%	6,084,907	64.53%
Blue Collar	58,829	6.58%	1,550,474	16.44%
Service and Farm	126,616	14.17%	1,794,317	19.03%

OCCUPATION BREAKDOWN

Occupation	New York County	% of Total	NYC Metro	% of Total
2021 Est. Civ. Employed Pop 16+ by Occupation	893,814		9,429,698	
Architect/Engineer	10,352	1.16%	121,572	1.29%
Arts/Entertainment/Sports	71,243	7.97%	319,497	3.39%
Building Grounds Maintenance	24,071	2.69%	366,889	3.89%
Business/Financial Operations	94,124	10.53%	605,948	6.43%
Community/Social Services	13,805	1.54%	167,196	1.77%
Computer/Mathematical	39,963	4.47%	324,215	3.44%
Construction/Extraction	13,736	1.54%	426,938	4.53%
Education/Training/Library	63,137	7.06%	668,663	7.09%
Farming/Fishing/Forestry	279	0.03%	7,780	0.08%
Food Prep/Serving	38,238	4.28%	454,568	4.82%
Health Practitioner/Technician	45,105	5.05%	559,580	5.93%
Healthcare Support	24,592	2.75%	392,891	4.17%
Maintenance Repair	5,696	0.64%	198,463	2.10%
Legal	37,047	4.14%	176,528	1.87%
Life/Physical/Social Science	17,127	1.92%	92,222	0.98%
Management	148,959	16.67%	1,021,396	10.83%
Office/Admin. Support	77,605	8.68%	1,076,340	11.41%
Production	12,375	1.38%	277,353	2.94%
Protective Services	11,651	1.30%	253,584	2.69%
Sales/Related	89,902	10.06%	951,750	10.09%
Personal Care/Service	27,785	3.11%	318,605	3.38%
Transportation/Moving	27,022	3.02%	647,720	6.87%

Transit Dynamics

There are good links to employment centers via public transport and the local highway network. Based on its urban location, roughly 5.72% of the employed drove alone to work. Given strong public transit service, 60.08% traveled by public transportation. The average travel time is roughly 36 minutes. Within this, roughly 11.2% of workers travel less than 15 minutes, while 43% live within 30 minutes of their jobs. The remaining workers travel in excess of a half hour. 11.3% work an hour or more away from home.

TRANSPORTATION TO WORK

Travel Time to Work	New York County	% of Total	NYC Metro	% of Total
2021 Est. Workers Age 16+ by Travel Time to Work	816,139		8,814,442	
Less than 15 Minutes	91,048	11.2%	1,309,031	14.9%
15 - 29 Minutes	258,083	31.6%	2,264,090	25.7%
30 - 44 Minutes	270,396	33.1%	2,120,839	24.1%
45 - 59 Minutes	104,209	12.8%	1,123,954	12.8%
60 or more Minutes	92,403	11.3%	1,996,528	22.7%
2021 Est. Avg Travel Time to Work in Minutes	36		41	

Housing Dynamics

Housing units are mostly renter occupied (77.44%), with 22.56% owner occupied. Reflecting this dynamic, the distribution of housing units is skewed towards multi-unit residential housing which makes up 94.7% of the total, while 5.1% is single unit and two- to four-unit homes.

TENURE OF OCCUPIED HOUSING UNITS

Occupied Housing Units By Tenure	New York County	% of Total	NYC Metro	% of Total
2021 Est. Occupied Housing Units by Tenure	788,725		7,062,928	
Owner Occupied	177,901	22.56%	3,570,251	50.55%
Renter Occupied	610,824	77.44%	3,492,677	49.45%

HOUSING BY UNITS IN STRUCTURE

Housing Units by Units in Structure	New York County	% of Total	NYC Metro	% of Total
2021 Est. Housing Units by Units in Structure	883,946		7,759,581	
1 Unit Attached	6,520	0.74%	512,705	6.61%
1 Unit Detached	10,135	1.15%	2,781,434	35.85%
2 Units	9,655	1.09%	854,435	11.01%
3 or 4 Units	19,199	2.17%	603,983	7.78%
5 to 19 Units	141,204	15.97%	819,775	10.56%
20 to 49 Units	200,078	22.63%	730,809	9.42%
50 or More Units	496,220	56.14%	1,422,929	18.34%
Mobile Home or Trailer	536	0.06%	30,754	0.40%
Boat, RV, Van, etc.	399	0.05%	2,757	0.04%

New development in New York County represents 5.53% of the total stock added in this period. Given the overwhelming presence of older housing stock, the median year built is 1954.

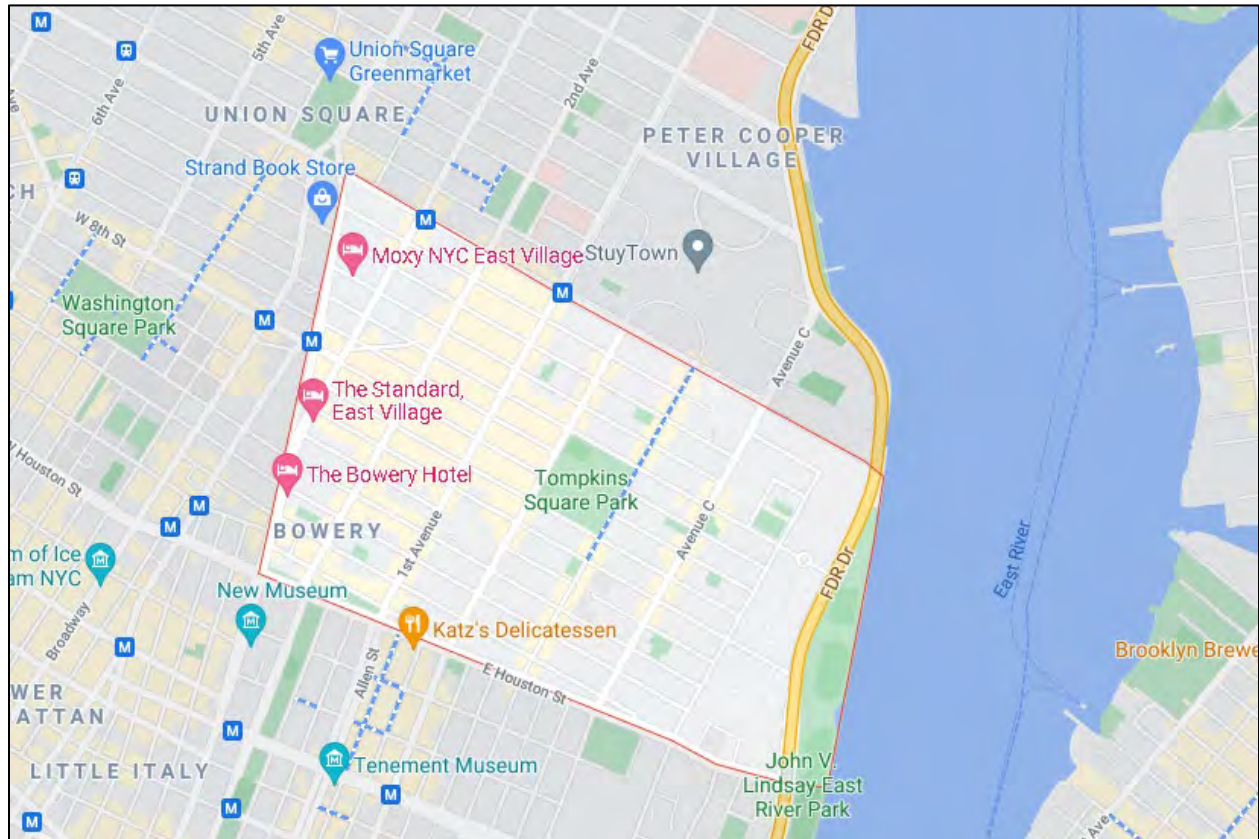
The median owner-occupied housing value is \$1,088,347, with 86% of the homes valued at over \$300,000.

Owner-Occupied Housing Units by Value	New York County	% of Total	NYC Metro	% of Total
2021 Est. Owner-Occupied Housing Units by Value	110,014		3,346,001	
Value Less than \$20,000	3,196	2.91%	32,360	0.97%
Value \$20,000 - \$39,999	1,234	1.12%	23,319	0.70%
Value \$40,000 - \$59,999	863	0.78%	20,592	0.62%
Value \$60,000 - \$79,999	986	0.90%	15,883	0.47%
Value \$80,000 - \$99,999	702	0.64%	18,437	0.55%
Value \$100,000 - \$149,999	3,013	2.74%	70,189	2.10%
Value \$150,000 - \$199,999	1,112	1.01%	112,107	3.35%
Value \$200,000 - \$299,999	3,802	3.46%	377,556	11.28%
Value \$300,000 - \$399,999	6,416	5.83%	574,685	17.18%
Value \$400,000 - \$499,999	8,319	7.56%	558,457	16.69%
Value \$500,000 - \$749,999	28,927	26.29%	857,510	25.63%
Value \$750,000 - \$999,999	24,041	21.85%	433,033	12.94%
Value \$1,000,000 - \$1,499,999	27,403	24.91%	251,873	7.53%
Value \$1,500,000 - \$1,999,999	17,395	15.81%	93,630	2.80%
Value \$2,000,000 or more	50,492	45.90%	130,620	3.90%
2021 Est. Median All Owner-Occupied Housing Value	\$1,088,347		\$496,390	

Conclusion

The general demographics for New York County indicate that area resident's income levels are well above NYC Metro averages. The county consists of a far greater percentage of white-collar workers than the NYC Metro average, and the county's residents rent homes/apartments at a far greater percentage than the NYC Metro average.

EAST VILLAGE DESCRIPTION



Overview

East Village is a neighborhood on the East Side of Lower Manhattan in New York City. It is roughly defined as the area east of the Bowery and Third Avenue, between 14th Street on the north and Houston Street on the south. The East Village contains three subsections: Alphabet City, in reference to the single-letter-named avenues that are located to the east of First Avenue; Little Ukraine, near Second Avenue and 6th and 7th Streets; and the Bowery, located around the street of the same name. Its primary ZIP Codes are 10003 and 10009. It is patrolled by the Precinct of the New York City Police Department.

Transportation

The nearest New York City Subway stations are Second Avenue (F and <F> trains), Astor Place (6 and <6> trains), Eighth Street–New York University (N, R, and W trains), and First Avenue (L train). Bus routes serving the area include the M1, M2, M3, M8, M9, M14A, M14D, M15, M15 SBS, M21, M101, M102 and M103.

Public Service

East Village is patrolled by the 9th Precinct of the NYPD, located at 321 East 5th Street. East Village is served by four New York City Fire Department (FDNY) fire stations:

- Ladder Co. 3/Battalion 6 – 103 East 13th Street
- Engine Co. 5 – 340 East 14th Street
- Engine Co. 28/Ladder Co. 11 – 222 East 2nd Street
- Engine Co. 33/Ladder Co. 9 – 42 Great Jones Street

East Village is located within two primary ZIP Codes. The area east of First Avenue including Alphabet City is part of 10009, while the area west of First Avenue is part of 10003. The United States Postal Service operates three post offices in East Village:

- Cooper Station – 93 Fourth Avenue
- Peter Stuyvesant Station – 335 East 14th Street
- Tompkins Square Station – 244 East 3rd Street

Health

The nearest major hospitals are Beth Israel Medical Center in Stuyvesant Town, as well as the Bellevue Hospital Center and NYU Langone Medical Center in Kips Bay, and New York-Presbyterian Lower Manhattan Hospital in the Civic Center area.

Education

The following middle and high schools are in East Village:

- East Side Community High School (grades 6–12)
- Manhattan School for Career Development (grades 9–12)
- Tompkins Square Middle School (grades 6–8)

Subject Specific Location

The subject property is on the south side of St Marks Place between 1st Avenue and 2nd Avenue in the East Village neighborhood of the Borough of Manhattan, New York County, City and State of New York.

Conformity

The subject's immediate area consists of walk-up apartment buildings with or without grade level retail. The subject property contains a grade level bar and a theatre space that is at grade level/slightly below grade level. The subject does not include traditional retail space/traditional use for retail space in immediate proximity to the subject property. The subject property includes a second-floor museum, and third floor office space, as well as apartments situated on floors 2-5. The current layout of the subject property does not conform to use in the immediate area.

MANHATTAN RESIDENTIAL AND RETAIL MARKET REPORTS

The following is from the Costar Q4 2021 East Village Multi-Family submarket report.

Costar East Village Multi-Family Submarket Report

Overview

East Village Multi-Family

12 Mo. Delivered Units

12 Mo. Absorption Units

Vacancy Rate

12 Mo. Asking Rent Growth

47

553

1.4%

1.5%

East Village is a lively Manhattan neighborhood with abundant bars and restaurants, fashion stores, and coffee shops. Tompkins Square Park brings green space to the center of the bustling submarket that is comprised of mainly older tenement buildings. Renters in East Village range from older residents who have lived in the neighborhood for decades to NYU students and young professionals.

The pandemic brought unprecedented challenges to the East Village apartment market, and the submarket saw the lowest annual net absorption reading in 2020 as a result. Vacancy sharply increased, as white-collar workers who drove much of the submarket's demand looked to locales with more affordable rents and more space for social distancing. But the recovery is now in full swing approaching the final stretch of 2021. Renter demand in the East Village has rebounded impressively due to a mixture of enticing concessions and the return

of in-person instruction and office work.

East Village has recorded substantial rent growth over the past five years, averaging more than 3% annually between 2015 and 2019 which are among the largest increases seen across the metro. But last year, the pandemic and accompanying occupancy challenges pushed rent growth into negative territory for the first time since 2010. Rent growth, however, is back on the upswing and looks set for further growth.

Investors have historically been attracted to the submarket's low vacancies and continued rent growth. Despite the pandemic contributing to declining investment activity throughout much of the metro, sales volume last year slightly improved compared to 2019's figures. And investors have continued to target the submarket in 2021, with more than \$200 million in trades thus far.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	861	1.2%	\$5,155	\$5,133	0	0	30
3 Star	20,029	0.9%	\$4,379	\$4,367	5	0	14
1 & 2 Star	12,740	2.0%	\$3,005	\$2,993	9	0	0
Submarket	33,630	1.4%	\$4,131	\$4,119	14	0	44

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.5%	2.4%	1.3%	3.2%	2009 Q1	1.4%	2021 Q4
Absorption Units	553	62	62	578	2021 Q3	(332)	2020 Q4
Delivered Units	47	69	19	295	2014 Q4	0	2020 Q3
Demolished Units	2	4	6	42	2012 Q3	0	2020 Q3
Asking Rent Growth (YOY)	1.5%	2.1%	3.2%	11.5%	2007 Q2	-10.1%	2009 Q3
Effective Rent Growth (YOY)	1.7%	2.1%	3.2%	11.6%	2007 Q2	-10.1%	2009 Q3
Sales Volume	\$279M	\$417.9M	N/A	\$6B	2015 Q4	\$15.5M	2009 Q3

Vacancy

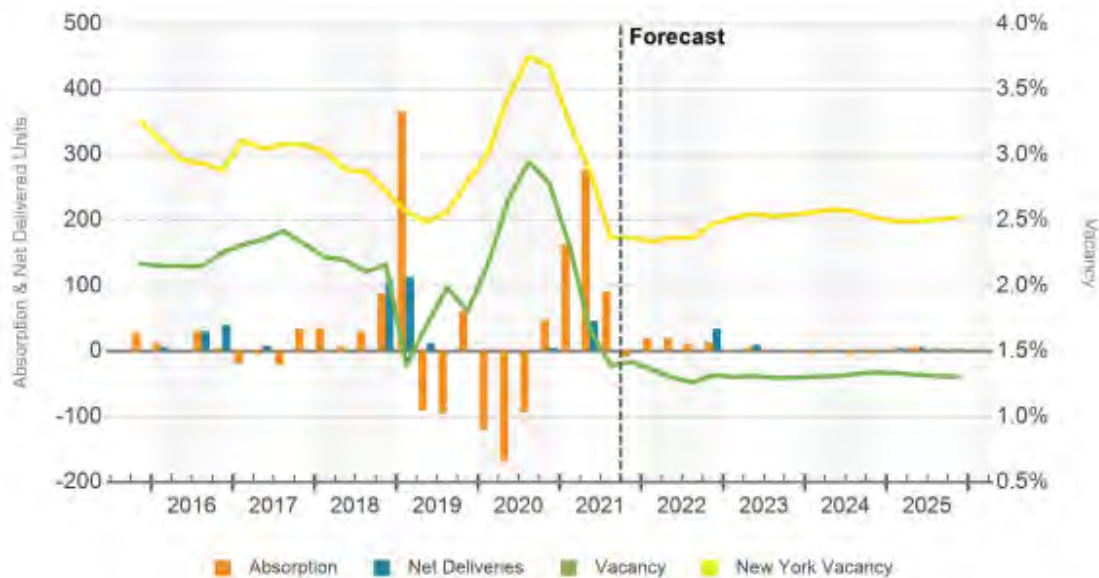
East Village Multi-Family

The coronavirus pandemic brought an unexpected challenge to the thriving East Village multifamily submarket. Annual net absorption in 2020 reached its lowest level on record, causing vacancies to spike upward. Expensive, dense, urban submarkets like the East Village faced the greatest challenges during the pandemic, as renters adapted to a work-from-home lifestyle. The dynamic neighborhood life that made the East Village so attractive was largely on pause due to social distancing measures, and many residents sought out more affordable rents and more space outside of

New York City.

But the submarket appears to have swiftly recovered at the end of 21Q3. Vacancies have declined since the start of the year as renter demand has rebounded impressively. Fueling absorption totals were a combination of factors such as continued hiring, enticing concessions, and the return of office workers and students. Helping matters further is the fact that minimal new units remain in the construction pipeline.

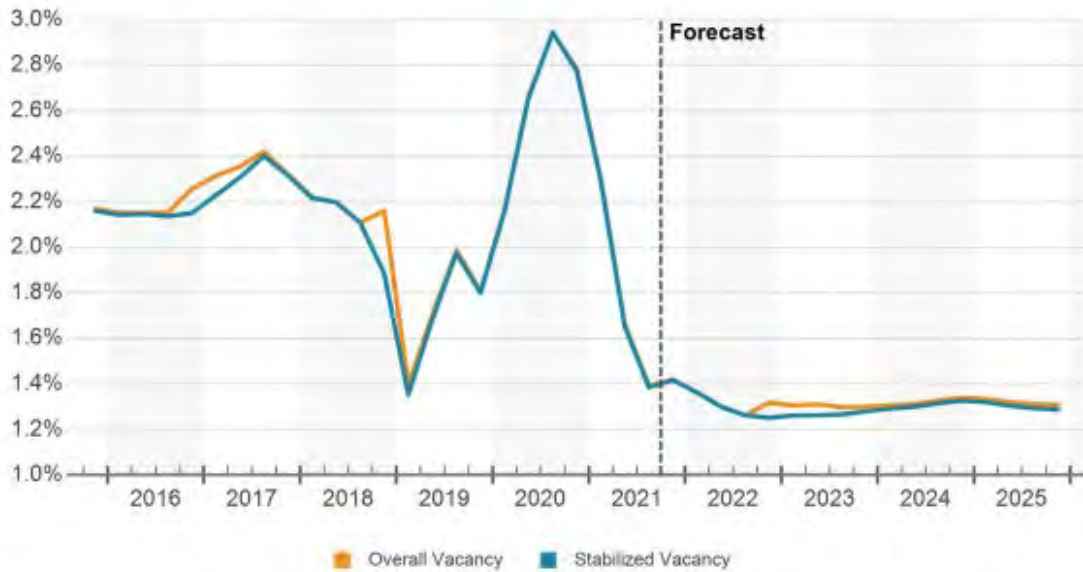
ABSORPTION, NET DELIVERIES & VACANCY



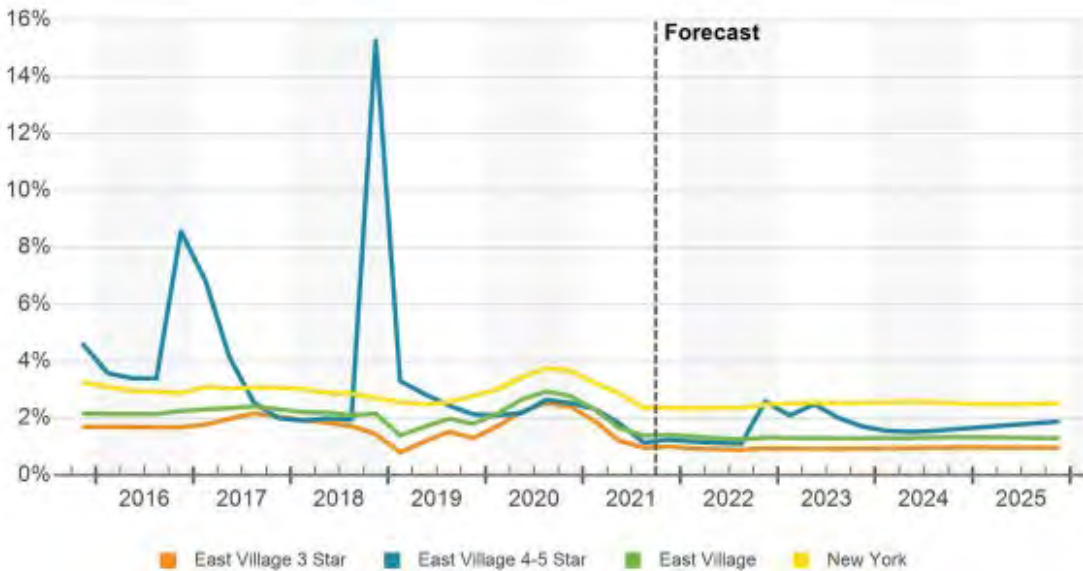
Vacancy

East Village Multi-Family

OVERALL & STABILIZED VACANCY



VACANCY RATE



Vacancy

East Village Multi-Family

VACANCY BY BEDROOM



Rent

East Village Multi-Family

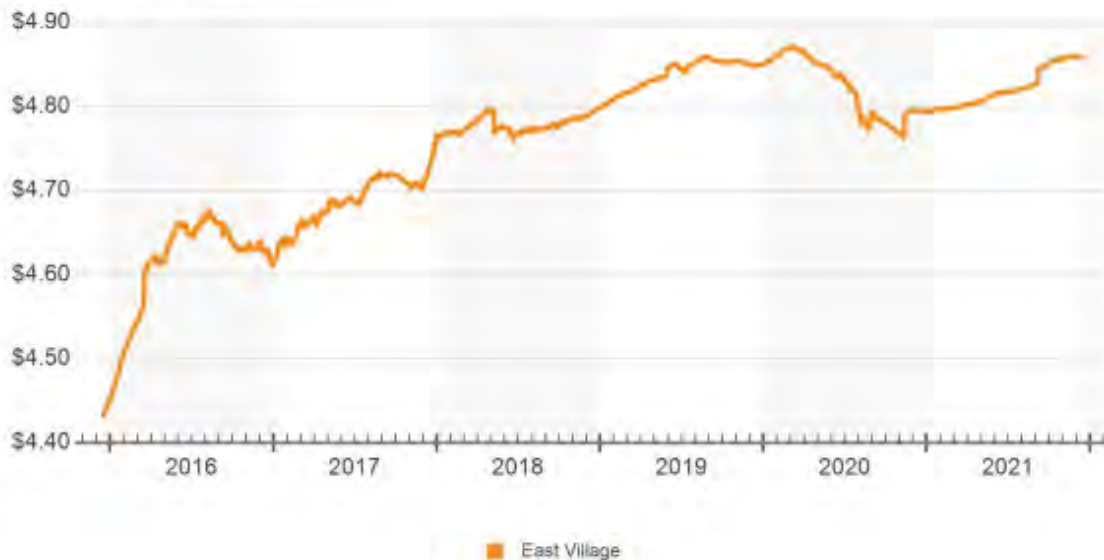
In recent years, the East Village submarket posted some of the strongest rent growth in Manhattan. Annual rent growth has topped 3% every year between 2015 and 2019.

The pandemic and the accompanying economic fallout have resulted in a scenario where year-over-year rental growth in the East Village remained in negative territory for five consecutive quarters. But with both renter

demand and occupancies greatly improving in recent quarters, rent growth topped returned to positive territory at the end of 21Q3.

Offering concessions, which was often a rare occurrence, have grown more common here as owners attempted to attract tenants. But as demand picks up and buildings improve their occupancy levels, concessions are expected to decline moving forward.

DAILY ASKING RENT PER SF



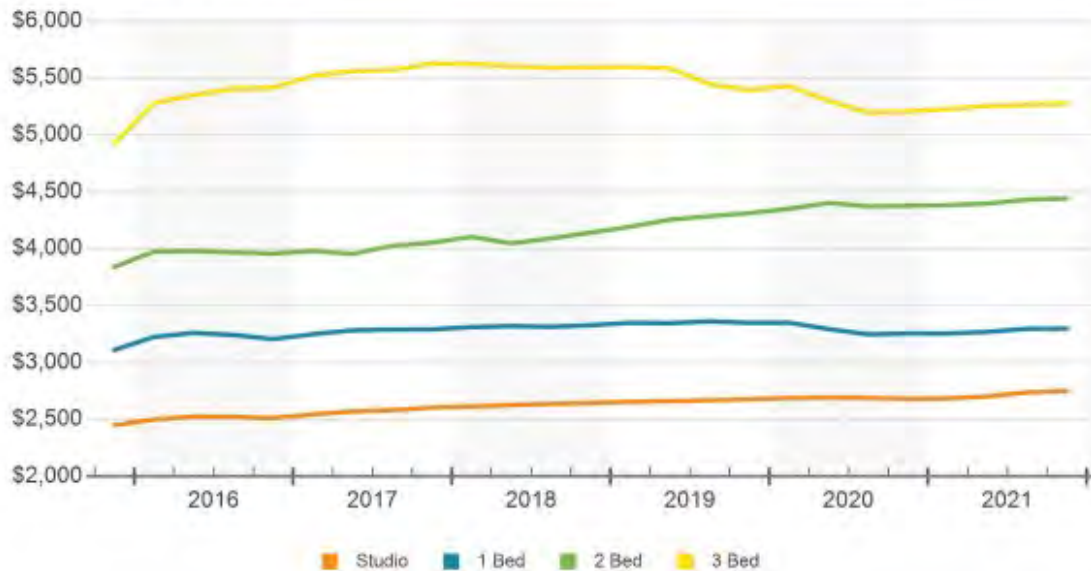
Rent

East Village Multi-Family

MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



Construction

East Village Multi-Family

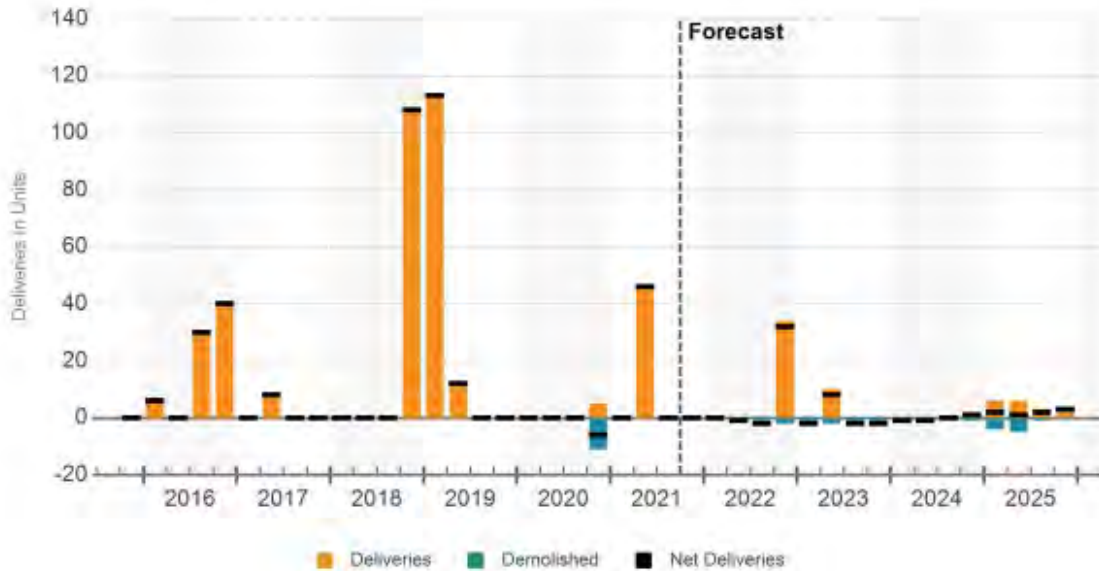
East Village is an extremely space-constrained submarket, leading to less construction than would be expected from a submarket with similar fundamentals. In the past four years, only 300 units have been added to the inventory in East Village, totaling less than 1% of total inventory. Just 44 units are currently under construction.

The largest project underway here comprises just 20 units, Vinbaytel Developments' seven-story project at

238 E 3rd St. The 4 Star property broke ground in late 2019 and is expected to open in early 2022.

Given space constraints, most deliveries contain fewer than 20 units. However, there have been some recent exceptions. The 108-unit property at 79 Avenue D opened in November 2018 and reached full occupancy not long after completion. In early 2019, Benenson Capital Partners opened the Eve, a 113-unit building located on E 14th Street.

DELIVERIES & DEMOLITIONS



Construction

East Village Multi-Family

All-Time Annual Avg. Units

68

Delivered Units Past 8 Qtrs

51

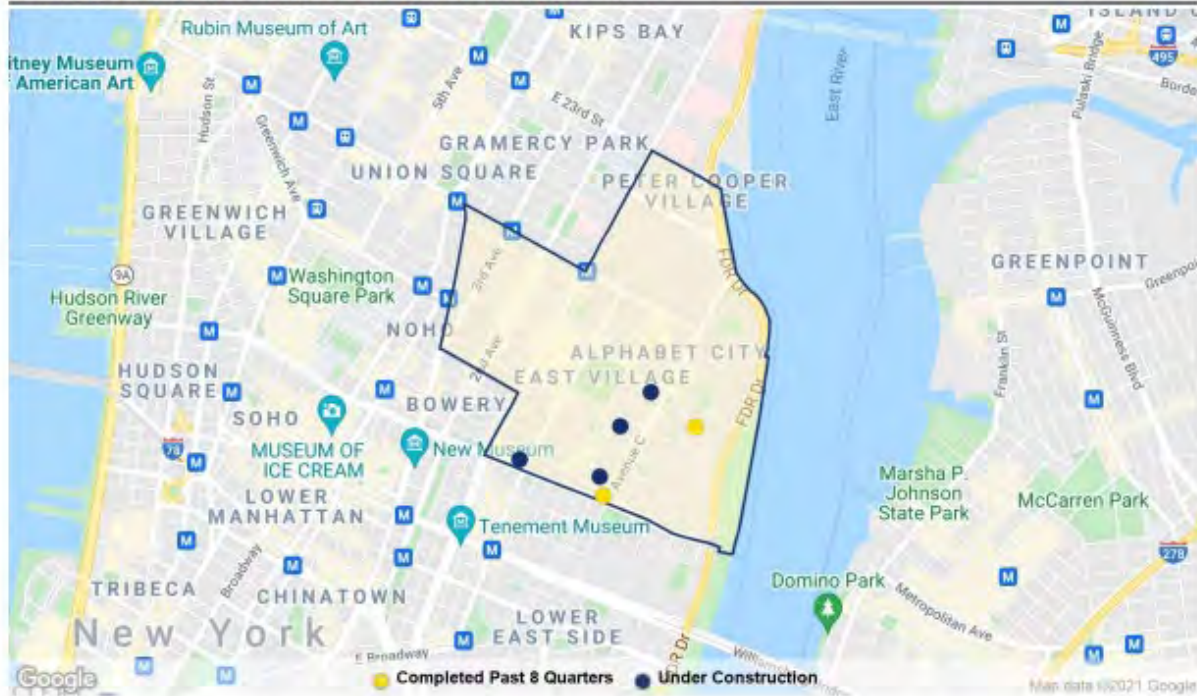
Delivered Units Next 8 Qtrs

44

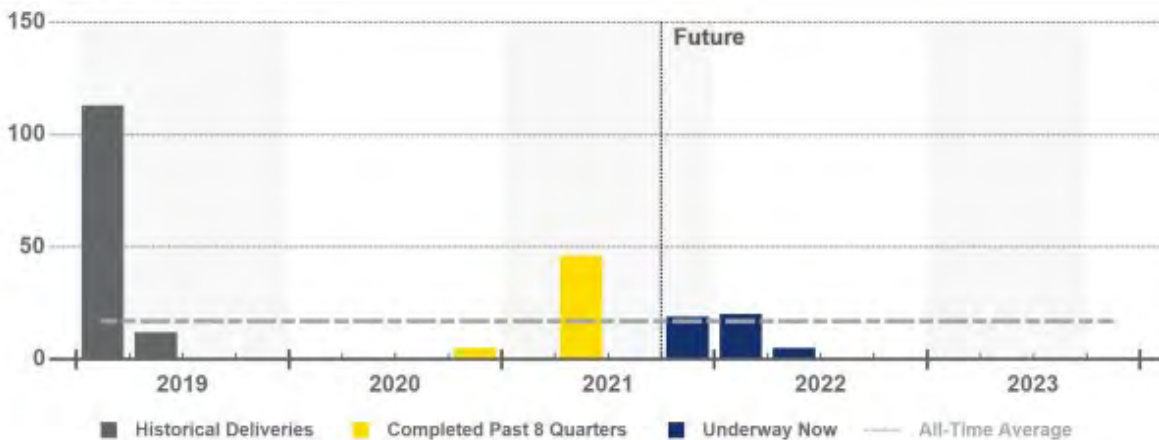
Proposed Units Next 8 Qtrs

0

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN UNITS



Construction

East Village Multi-Family

RECENT DELIVERIES

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	Stella 350 E Houston St	★★★★★	46	10	Jan 2019	Apr 2021	BLDG Management Co., Inc. Hakimian Properties
2	127 Avenue D	★★★★★	5	7	Feb 2016	Oct 2020	Royal Realty RAY KATZ

UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	238 E 3rd St 238 E 3rd St	★★★★★	20	7	Nov 2019	Jan 2022	Vinbaytel Developments Vinbaytel Developments
2	639 E 9th St	★★★★★	14	8	Jun 2018	Jan 2022	- 639 East 9th Street Llc
3	619 E 6th St	★★★★★	5	6	Jan 2018	Jan 2022	- Cpare Llc
4	118 E 1st St	★★★★★	5	9	Jul 2019	Apr 2022	Cynthia Wu Cynthia Wu

Sales

East Village Multi-Family

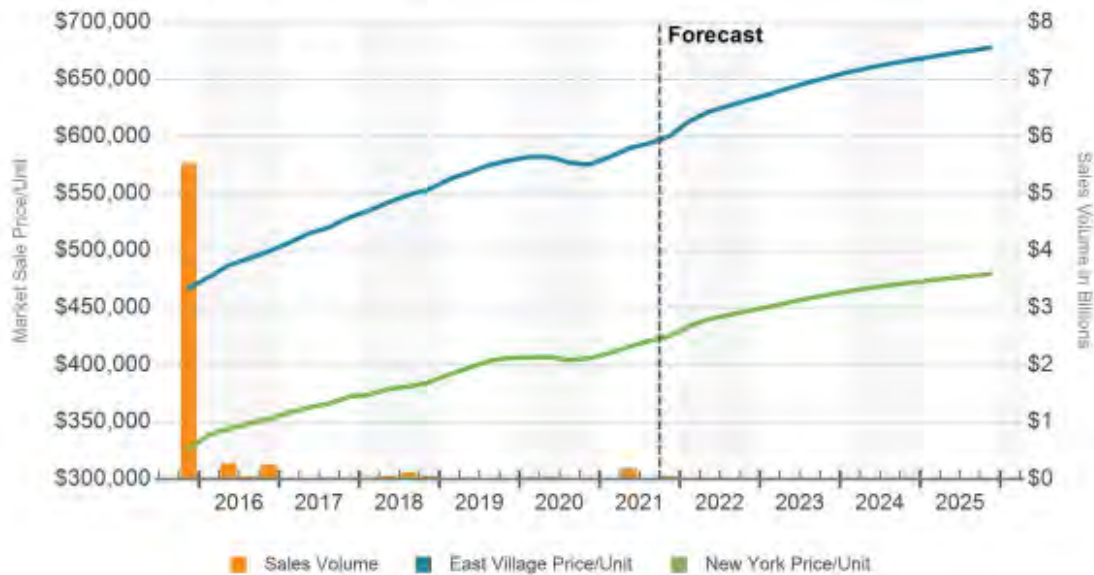
East Village multifamily product is in high demand from investors as buyers are typically attracted to the submarket's low vacancies and consistent rent growth. This level of interest plays a major part in why pricing has soared over the past decade, while cap rates remain below 4%.

Despite the pandemic contributing to declining investment activity throughout much of the metro, sales volume last year slightly improved compared to 2019's figures. And investors have continued to target the submarket in 2021, with more than \$200 million in trades

thus far. Much of this activity can be attributed to the bankruptcy sale acquisition of 15 properties in East Village for \$153 million by Madison Realty Capital Advisors. The portfolio comprises 347 units, and the seller was Regal Property Group.

The sale of 205 Avenue A highlights price appreciation in East Village. In May 2021, Japan-based Tsukaki acquired the nine-unit property for \$14.35 million from Icon Realty Management, who acquired the property in 2012 for \$3.45 million.

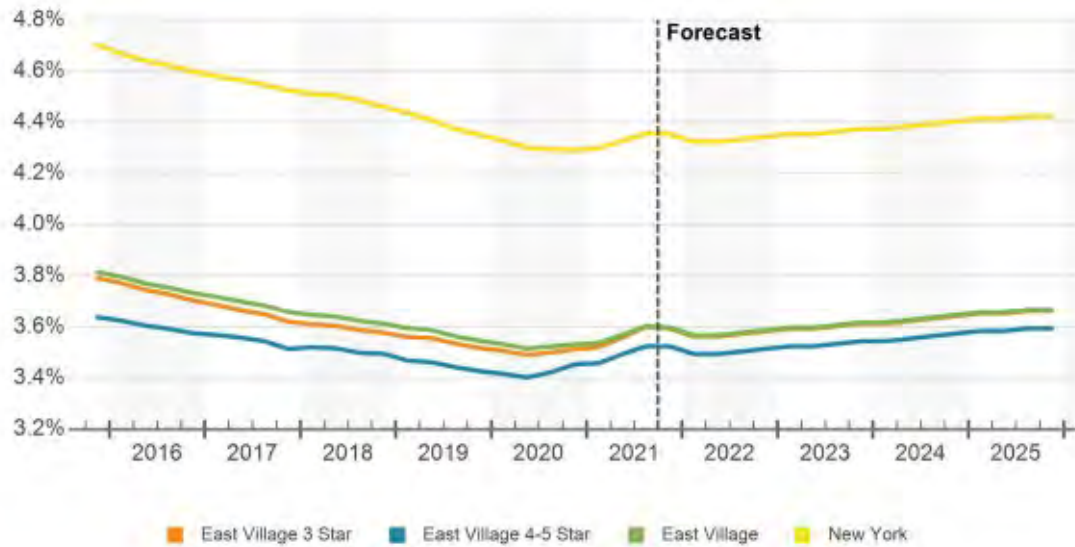
SALES VOLUME & MARKET SALE PRICE PER UNIT



Sales

East Village Multi-Family

MARKET CAP RATE



Sales Past 12 Months

East Village Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

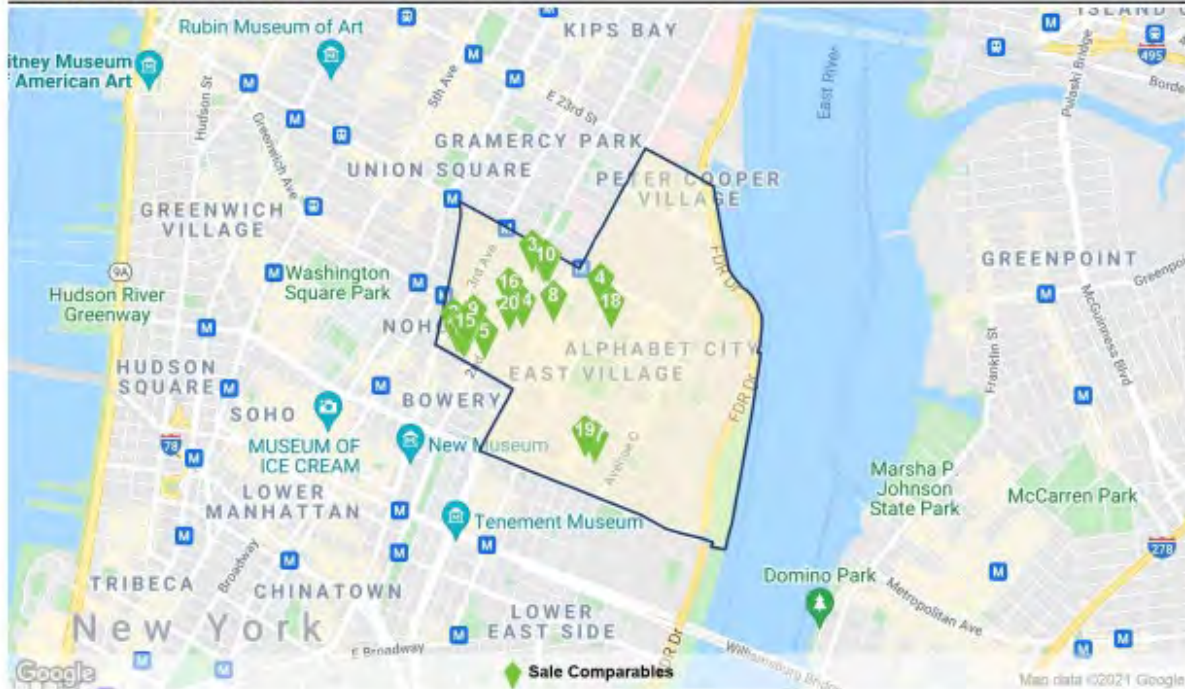
32

\$477

\$9.1

4.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$1,615,000	\$9,084,279	\$8,000,000	\$46,192,915
Price/Unit	\$80,750	\$477,309	\$530,953	\$1,656,250
Cap Rate	4.5%	5.4%	5.3%	6.5%
Vacancy Rate At Sale	0%	4.5%	0%	40.0%
Time Since Sale in Months	0.8	6.4	7.8	10.3
Property Attributes	Low	Average	Median	High
Property Size in Units	4	18	15	87
Number of Floors	3	5	5	6
Average Unit SF	388	721	670	1,867
Year Built	1900	1907	1900	2014
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

East Village Multi-Family

RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information			
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1 325 E 12th St	★ ★ ★ ★ ★	1900	87	1.2%	4/23/2021	\$46,192,915	\$530,953	\$950
2 208 E 6th St	★ ★ ★ ★ ★	1900	36	0%	11/19/2021	\$15,400,000	\$427,777	\$763
3 200 Second Ave	★ ★ ★ ★ ★	1920	35	0%	11/19/2021	\$15,300,000	\$437,142	\$618
4 205 Avenue A	★ ★ ★ ★ ★	1900	9	0%	5/28/2021	\$14,350,000	\$1,594,444	\$1,436
5 100 2nd Ave	★ ★ ★ ★ ★	1900	8	0%	3/22/2021	\$13,250,000	\$1,656,250	\$1,640
6 329 E 12th St	★ ★ ★ ★ ★	1900	24	0%	4/23/2021	\$11,090,558	\$462,106	\$995
7 235 E 5th St	★ ★ ★ ★ ★	1900	10	0%	4/23/2021	\$10,670,506	\$1,067,050	\$995
8 164 1st Ave	★ ★ ★ ★ ★	1900	10	0%	10/1/2021	\$10,400,000	\$1,040,000	\$1,015
9 36 E 7th St	★ ★ ★ ★ ★	1900	16	0%	5/19/2021	\$10,350,000	\$646,875	\$872
10 327 E 12th St	★ ★ ★ ★ ★	1900	22	0%	4/23/2021	\$10,135,091	\$460,685	\$888
11 223 E 5th St	★ ★ ★ ★ ★	1900	16	0%	4/23/2021	\$8,854,457	\$553,403	\$728
12 233 E 5th St	★ ★ ★ ★ ★	1905	10	0%	4/23/2021	\$8,764,348	\$876,434	\$995
13 229 E 5th St	★ ★ ★ ★ ★	1900	10	0%	4/23/2021	\$8,580,202	\$858,020	\$995
14 334 E 9th St	★ ★ ★ ★ ★	1910	40	0%	4/23/2021	\$8,465,448	\$211,636	\$888
15 228 E 6th St	★ ★ ★ ★ ★	1925	20	0%	4/23/2021	\$8,371,172	\$418,558	\$995
16 152-154 2nd Ave	★ ★ ★ ★ ★	2014	12	0%	4/20/2021	\$8,000,000	\$666,666	\$357
17 233 E Third St	★ ★ ★ ★ ★	1910	29	0%	6/14/2021	\$7,500,000	\$258,620	\$353
18 514 E 12th St	★ ★ ★ ★ ★	1920	20	40.0%	4/23/2021	\$6,908,405	\$345,420	\$643
19 215 E Third St	★ ★ ★ ★ ★	1900	9	0%	11/10/2021	\$6,500,000	\$722,222	\$677
20 47 St Marks Pl	★ ★ ★ ★ ★	1900	10	0%	11/17/2021	\$6,140,000	\$614,000	\$768

Costar East Village Retail Submarket Report

The following is a custom East Village Retail submarket analytics report that includes data on retail properties/retail spaces within the East Village submarket.

Search Analytics

INVENTORY SF

1.4M

+0%

(PREVIOUS 1 YR)

UNDER CONSTRUCTION SF

0

-

(PREVIOUS 1 YR)

12 MO NET ABSORPTION SF

9.4K

+140.4%

(PREVIOUS 1 YR) (23.2K)

VACANCY RATE

2.4%

+0.7%

(PREVIOUS 1 YR)

MARKET RENT/SF

\$120.58

+1.8%

(PREVIOUS 1 YR)

MARKET SALE PRICE/SF

\$1,244

+1.1%

(PREVIOUS 1 YR)

MARKET CAP RATE

4.2%

+0%

(PREVIOUS 1 YR)

Key Metrics

Availability

Vacant SF

34.7K

↓

Sublet SF

1.2K

↓

Availability Rate

2.9%

↓

Available SF

40.8K

↓

Available Asking Rent/SF

\$106.43

↑

Occupancy Rate

97.6%

↑

Percent Leased Rate

97.8%

↑

Inventory

Existing Buildings

188

↓

Under Construction Avg SF

-

12 Mo Demolished SF

0

↓

12 Mo Occupancy % at Delivery

-

12 Mo Construction Starts SF

0

↓

12 Mo Delivered SF

0

↓

12 Mo Avg Delivered SF

-

Sales Past Year

Asking Price Per SF

\$2,621

Sale to Asking Price Differential

-13.7%

Sales Volume

\$31.9M

↑

Properties Sold

4

↑

Months to Sale

-

For Sale Listings

4

↑

Total For Sale SF

33.5K

↑

Demand

12 Mo Net Absorp % of Inventory

0.7%

↑

12 Mo Leased SF

41.7K

↑

Months on Market

12.1

↑

Months to Lease

10.2

↑

Months Vacant

11.1

↑

24 Mo Lease Renewal Rate

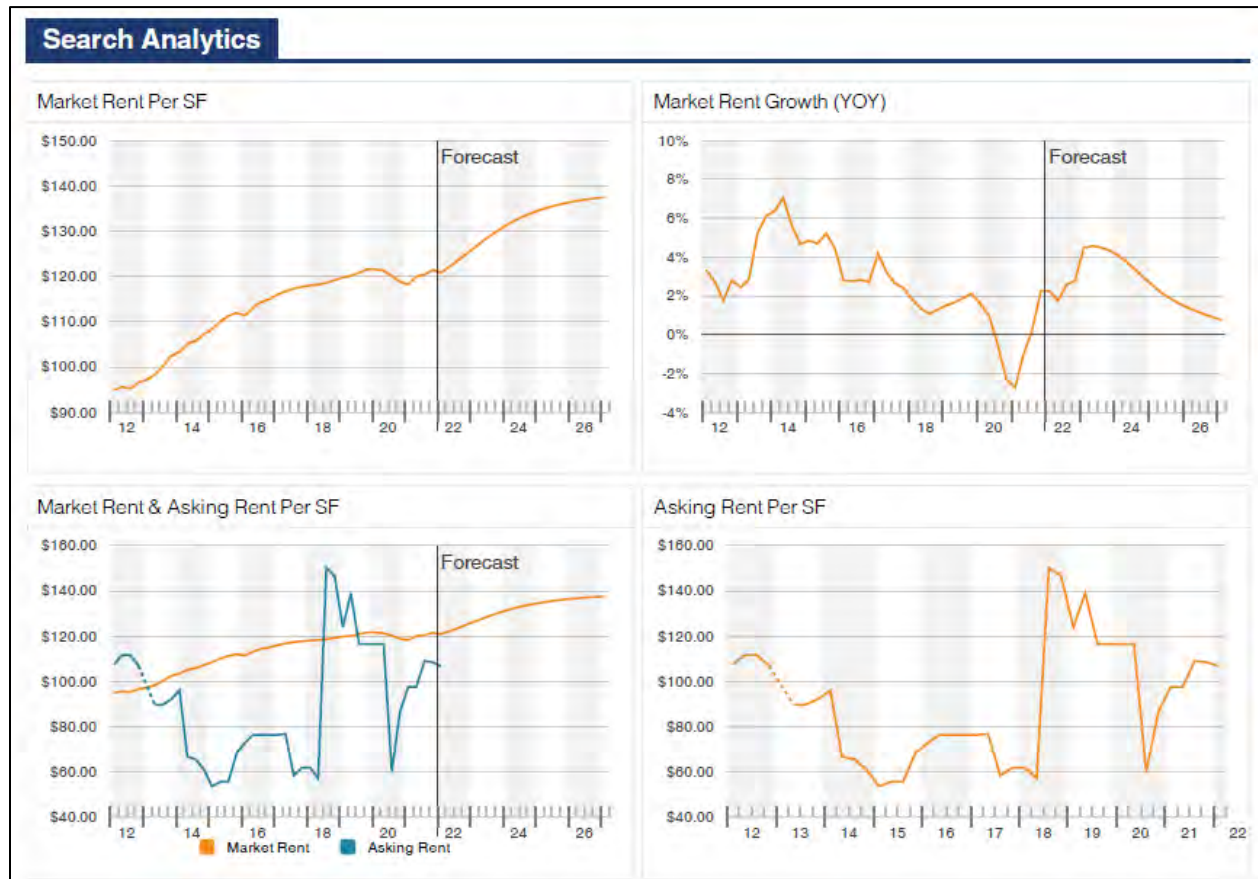
85.4%

Population Growth 5 Yrs

1.0%

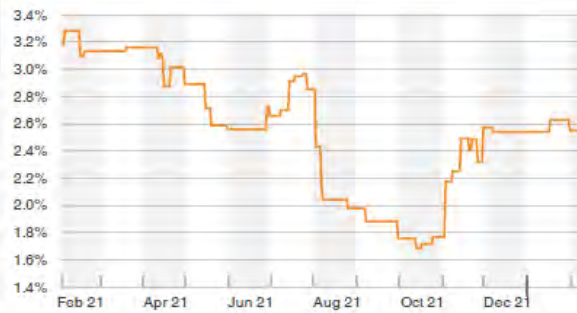
94943561

2/9/2022

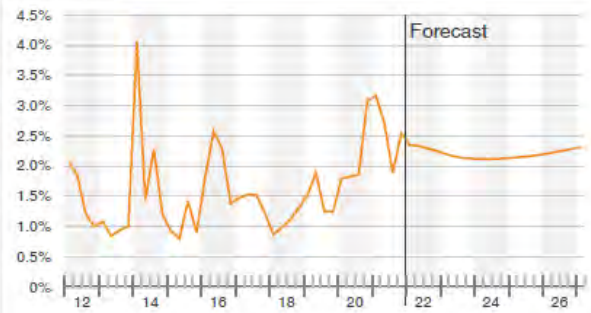


Search Analytics

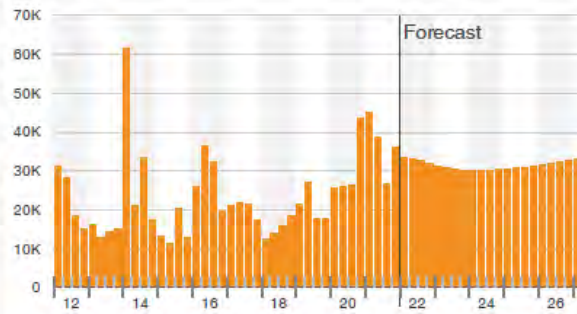
Daily Vacancy Rate



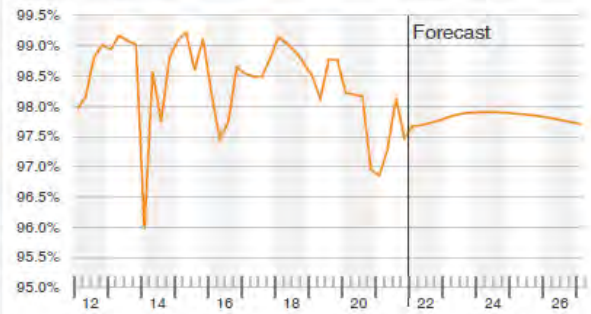
Vacancy Rate

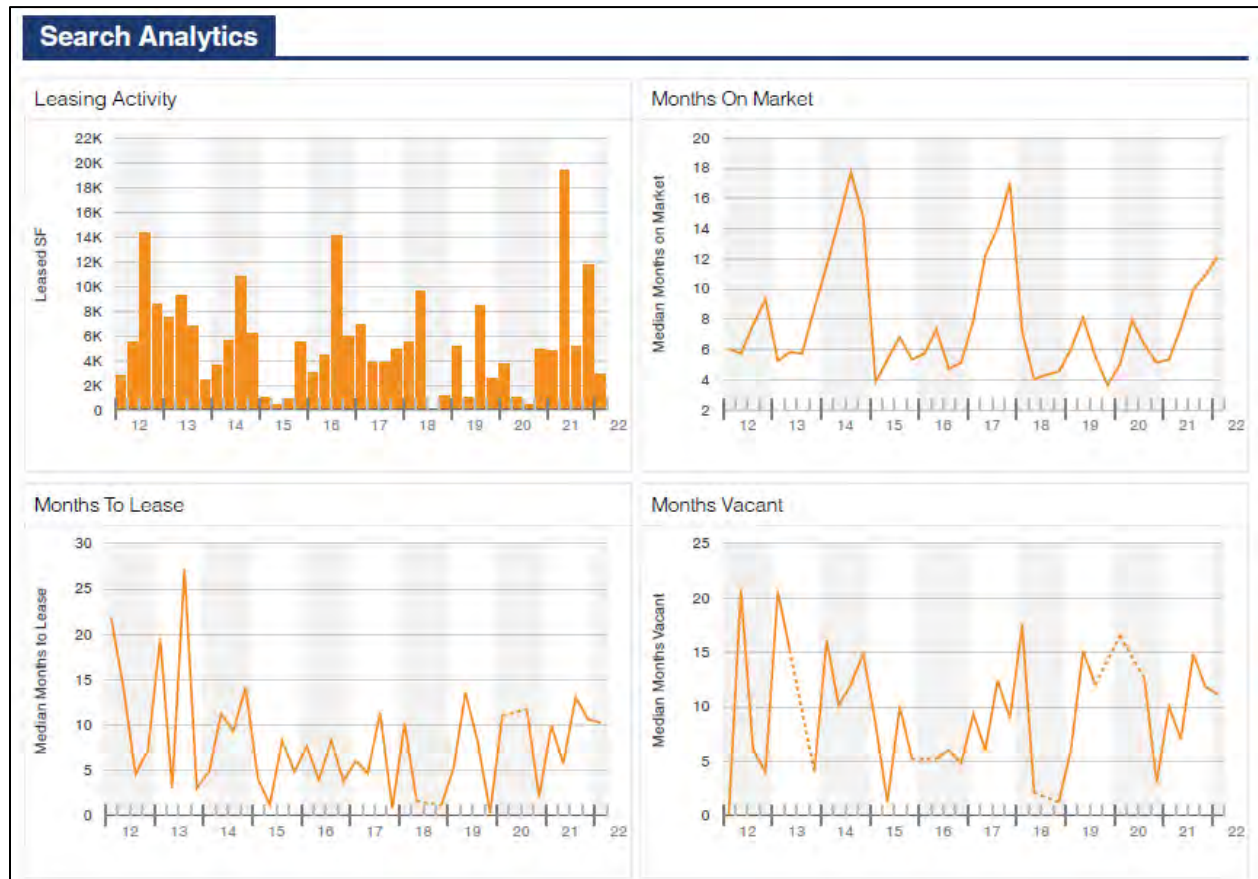


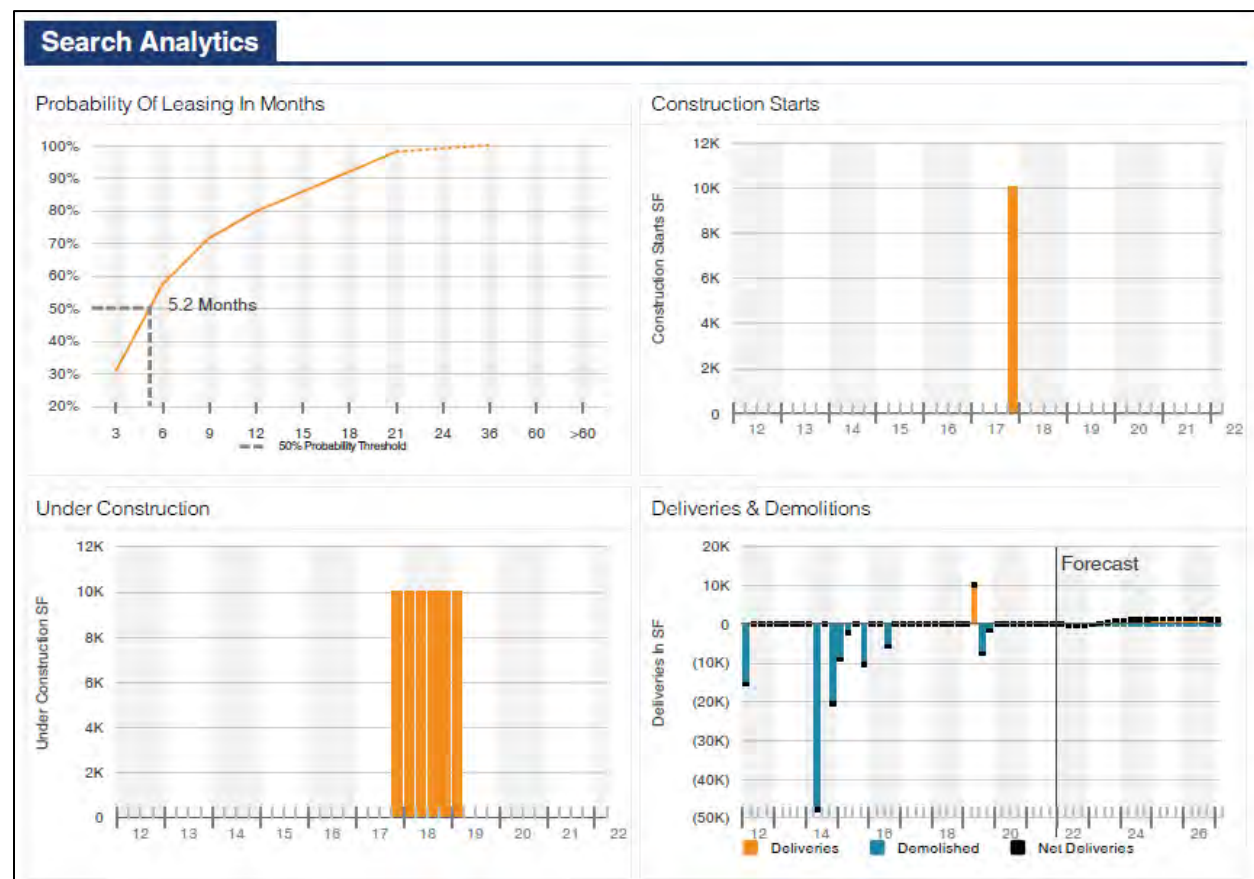
Vacant SF

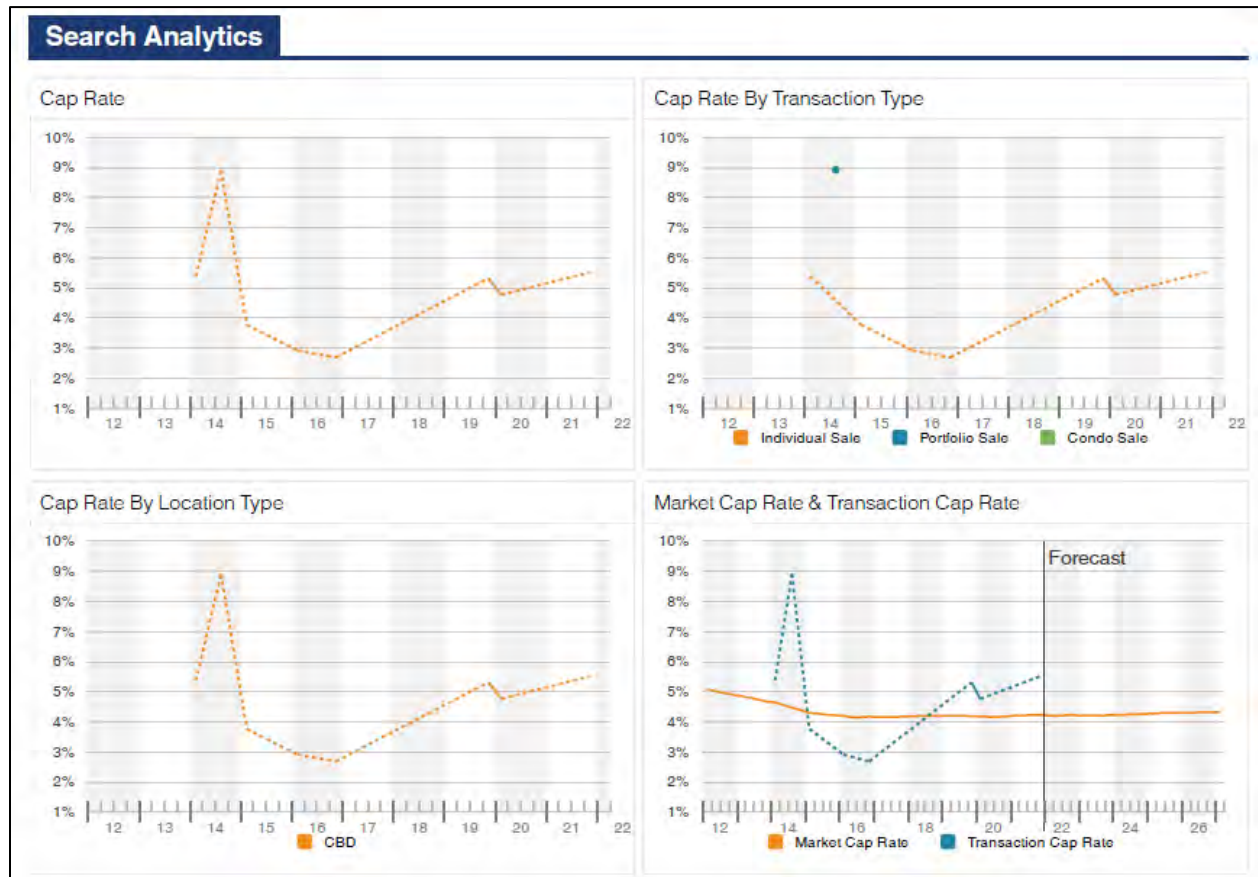


Occupancy Rate







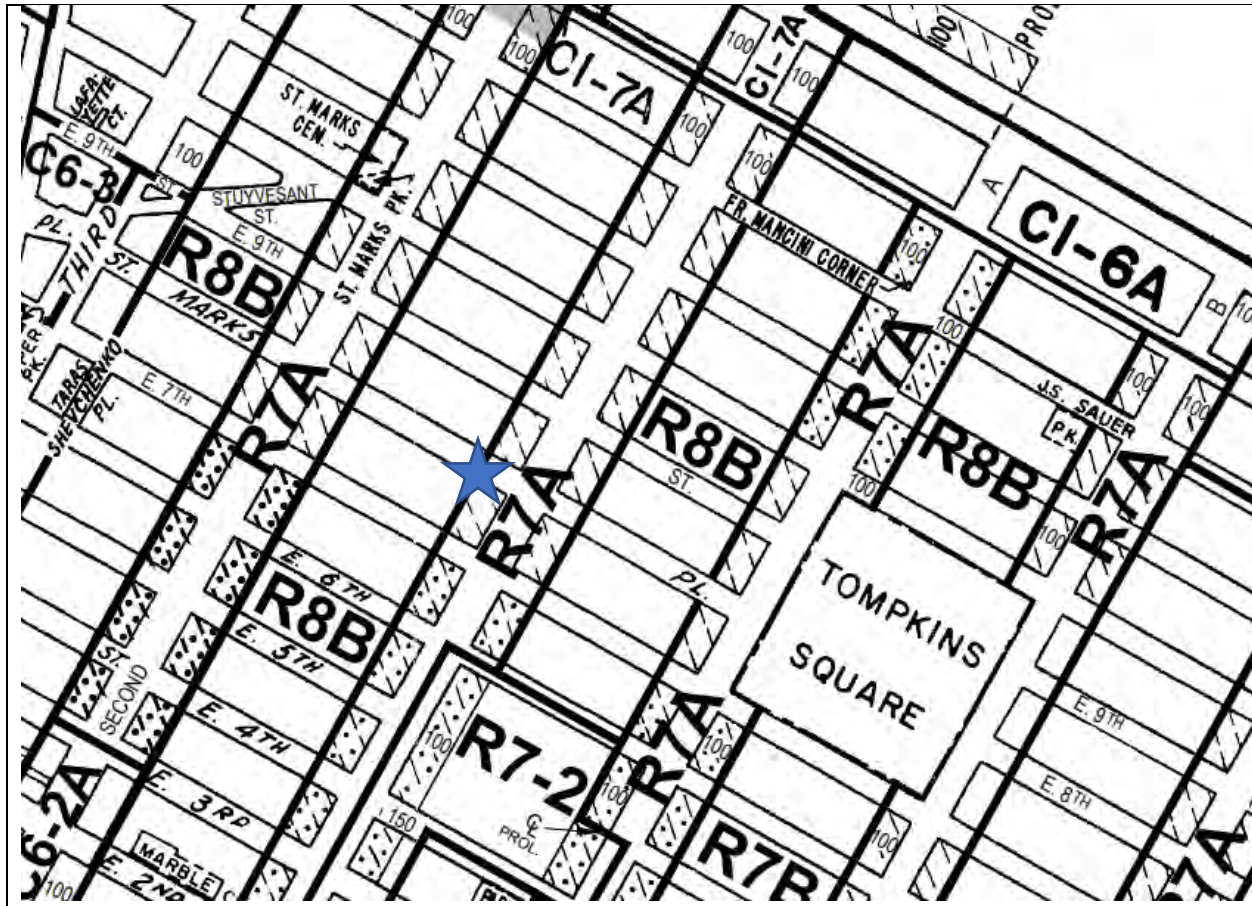


Retail Submarket Conclusion

The East Village Retail submarket data indicates available asking rent/SF of \$106.43, with a current vacancy rate of 2.4%. Available retail spaces in the submarket are typically marketed for upwards of one year. Average asking rent in the submarket has increased slightly over the past year from \$118.10 per square foot in Q1 2021 to \$120.58 in Q1 2022. The vacancy rates in the submarket have dropped from 3.16% in Q1 2021 to 2.4% in Q1 2022. Presently, 40,756 square feet of retail space remains available for lease in the submarket, down from 52,692 square feet in Q1 2021.

ZONING ANALYSIS

The subject property is zoned R7A with a C1-5 Commercial overlay.



R7A with a C1-5 Commercial overlay Zoning Districts

The contextual Quality Housing regulations, which are mandatory in R7A districts, typically produce high lot coverage, seven- to nine- -story apartment buildings, blending with existing buildings in many established neighborhoods. R7A districts are mapped along Prospect Park South and Ocean Parkway in Brooklyn, Jackson Heights in Queens, and in Harlem and along the avenues in the East Village in Manhattan.

The floor area ratio (FAR) in R7A districts is 4.0. Above a base height of 40 to 65 feet, or 75 feet if providing a qualifying ground floor, the building must set back to a depth of 10 feet on a wide street and 15 feet on a narrow street before rising to a maximum height of 80 feet, or 85 feet if providing a qualifying ground floor. In order to preserve the traditional streetscape, the street wall of a new building can be no closer to the street line, than any adjacent street wall, but need not be farther than 10 feet. Buildings must have interior amenities for the residents pursuant to the Quality Housing Program. Off-street parking is not allowed in front of a building.

Off-street parking is generally required for 50 percent of a building's dwelling units, but requirements are lower for income-restricted housing units (IRHU) and are further modified in certain areas, such as within

the Transit Zone and the Manhattan Core, or for lots 10,000 square feet or less. Off-street parking requirements can be waived if 15 or fewer parking spaces are required.

Higher maximum FAR and heights are available for buildings participating in the Inclusionary Housing Program or that provide certain senior facilities.

Medium-Density Contextual Residence District												
R7A	Lot Area	Lot Width	Rear Yard	Lot Coverage		FAR	Base Height	Building Height	# of Stories	DU Factor	Required Parking	
	min.	min.	min.	Corner	Other Lot	max.	min.-max. (w/QGF)	max. (w/QGF)	max. (w/QGF)		Basic	IRHU
Basic												
Inclusionary	1,700 sf	18 ft	30 ft	100%	65%	4.00	40-65 (75) ft	80 (85) ft	n/a (8)	680	50% of DU	15% of IRHU

C1-1 through C1-5 and C2-1 through C2-5 districts are commercial overlays mapped within residence districts. Mapped along streets that serve local retail needs, they are found extensively throughout the city's lower- and medium-density areas and occasionally in higher-density districts.

Typical retail uses include neighborhood grocery stores, restaurants and beauty parlors. C2 districts permit a slightly wider range of uses, such as funeral homes and repair services. In mixed buildings, commercial uses are limited to one or two floors and must always be located below the residential use.

When commercial overlays are mapped in R1 through R5 districts, the maximum commercial floor area ratio (FAR) is 1.0; when mapped in R6 through R10 districts, the maximum commercial FAR is 2.0. Commercial buildings are subject to commercial bulk rules.

Overlay districts differ from other commercial districts in that residential bulk is governed by the residence district within which the overlay is mapped. All other commercial districts that permit residential use are assigned a specific residential district equivalent. Unless otherwise indicated on the zoning maps, the depth of overlay districts ranges from 100 to 200 feet.

Generally, the lower the numerical suffix, the more off-street parking is required. For example, in C1-1 districts, typically mapped in outlying areas of the city, a large food store would require one parking space for every 100 square feet of floor area, whereas no parking is required in C1-5 districts, which are well served by mass transit.

Local Retail and Local Service District										
C1 and C2 Overlays	C1-1	C2-1	C1-2	C2-2	C1-3	C2-3	C1-4	C2-4	C1-5	C2-5
Commercial FAR within R1 - R5	All districts have a commercial FAR of 1.0									
Commercial FAR within R6 - R10	All districts have a commercial FAR of 2.0									
Depth of Overlay District (in feet)	200		150					100		
Required Accessory Parking PRC-B	1 per 150 SF		1 per 300 sf		1 per 400 sf		1 per 1,000 sf		None	

Zoning Summary

The maximum FAR for properties zoned R7A with a C1-5 Commercial overlay is 4.00. The subject's actual FAR is 2.95 (14,400 gross square feet above grade on a site size of 4,875 square feet), which is within the allowable FAR and is therefore a complying bulk. The subject complies with additional bulk requirements. The subject's use as a mixed-use apartment building conforms to allowable uses. Therefore, the subject is a conforming use and complying bulk.

General Zoning Information			
Property Name	78-80 St Marks Place		
Property Jurisdiction	New York County		
Existing Zoning Classification	R7A with a C1-5 Commercial overlay		
Category	Actual	Required	Conforming/Complying Status
Current Use	Five-Story Mixed-Use Apartment Building	Apartment Buildings	Conforming
Minimum Lot Size (FT)	4,875	1,700	Complying
Maximum Residential FAR	2.95	4.00	Complying
Minimum Lot Width (FT)	50	18	Complying
Rear Yard (FT)	35	30	Complying

REAL ESTATE TAXES AND ASSESSMENT DATA

The subject property is identified on New York County tax maps as Block 449, Lot 28.



Real Estate Tax Overview

The subject property is assessed and taxed by the City of New York on an ad valorem basis. Real property in New York State is not required to be assessed at 100% of market value, but all property classes within a taxing jurisdiction must be assessed at a consistent percentage of market value. The state legislature exempted the City of New York from this requirement. As such, NYC is permitted to classify real property by type and to assess types at different fractions (equalization rates) of their market values.

Currently, the policy of the city assessor is to review income and expense statements on an annual basis. The methodology of estimating market value by the assessor involves direct capitalization, using rates that are applied to properties based upon geography and age. A ratio is then applied to the assessor's determination of market value to derive a target assessment. For Tax Class 2B properties (subject) the equalization rate (ratio) is currently 45%.

In New York City, reassessments occur annually, with changes phased in over a five-year period. During the phase-in, the annual assessed values are "transitional values." The full reassessed value is the "actual" or "target value." The first transitional value is the original assessed value plus 20% of the difference

between the current and prior year values. The 20% increments are added to each prior year's transitional value until the full amount is phased-in by the fifth year. The tax liability is typically based on the lower of the "actual" and "transitional" assessment.

The subject property is assessed as follows:

Year	2020/2021		2021/2022		2022/2023 Tentative	
Actual Assessment						
Land		\$454,500		\$454,500		\$454,500
Building	+	\$3,237,750	+	\$2,978,550	+	\$3,075,750
Total		\$3,692,250		\$3,433,050		\$3,530,250
8-30% Limitation Assessment						
Land		\$152,087		\$176,656		\$159,901
Building	+	\$1,083,433	+	\$1,157,706	+	\$1,082,099
Total		\$1,235,520		\$1,334,362		\$1,242,000

Based on the 2023/2023 tentative assessment, the subject's 8-30% limitation assessment is lower than the actual assessment and will be utilized in determining the subject's 2021/2022 real estate taxes.

The assessed value cannot increase more than 8% from the prior year or 30% over five years.

Equalization Rate

In New York City, properties are currently assessed at 45% of the estimated market value. Utilizing the above equalization ratio, the indicated assessor's market value is \$7,845,000.

Year	2020/2021		2021/2022		2022/2023 Tentative	
Assessed Value		\$3,692,250		\$3,433,050		\$3,530,250
Equalization Rate	÷	45%	÷	45%	÷	45%
Assessor's Market Value		\$8,205,000		\$7,629,000		\$7,845,000

It is noted that the implied assessor's market value is significantly lower than our derived value. However, the implied assessor's market value is an assessor's market value for taxation purposes and assessor's market values are often significantly lower than actual market values.

Tax Rates

The City of New York has four tax categories for real properties. The subject property is designated as a Class 2B (Over six families with stores). The current tax rate for Class 2B properties is 12.235 per \$100 of assessed value. The chart following chart illustrates historical tax rates in each class since 2010/2011:

HISTORICAL TAX RATES

Year	Class 1	Class 2	Class 3	Class 4
2010/2011	17.364	13.353	12.631	10.312
2011/2012	18.205	13.433	12.473	10.152
2012/2013	18.569	13.181	12.477	10.288
2013/2014	19.191	13.145	11.902	10.323
2014/2015	19.157	12.855	11.125	10.684
2015/2016	19.554	12.883	10.813	10.656
2016/2017	19.991	12.892	10.934	10.574
2017/2018	20.385	12.719	11.891	10.514
2018/2019	20.919	12.612	12.093	10.514
2019/2020	21.167	12.473	12.536	10.537
2020/2021	21.045	12.267	12.826	10.694
2021/2022	19.963	12.235	12.289	10.755
Average Annual Growth Rate	1.25%	-0.70%	-0.23%	0.36%

Despite a few relatively large bumps in the tax rates, the compound rate since 2010/2011 exhibits a modest annual growth rate for Class 1 and 4 properties and a small decrease in the annual tax rate for Class 2 and 3 properties. It should be noted that changes in the tax rate do not necessarily result in increased or decreased real estate taxes due to the fact that assessment changes will often have primary impact in determining tax increases/decreases for specific properties. Based on recent trends, we will project that the tax rate will remain level for 2022/2023.

Calculation of Subject Real Estate Taxes

Based on the current tax rate of 12.235% and the current 8-30% limitation assessment of \$1,242,000, the subject's real estate taxes are as follows.

Assessed Value	\$1,242,000
General Tax Rate	x 12.235%
Annual Tax Liability	\$151,959
Annual Tax Liability Per SF	\$10.55

Comparable Property Real Estate Taxes

To determine the reasonableness of the subject property's tax liability, presented as follows are comparable real estate taxes for similar buildings within one mile of the subject property.

Address	Year Built	Area (SF)	Taxes/SF
125 East 7th Street	1900	7,513	\$10.64
127 East 7th Street	1900	8,710	\$10.25
156 1st Avenue	1900	11,620	\$10.67
323 East 9th Street	1900	7,615	\$10.01
324-326 East 9th Street	1910	13,234	\$10.06
		Min:	\$10.01
		Max:	\$10.67
		Average:	\$10.33

The comparable real estate taxes liabilities ranged from \$10.01 per square foot to \$10.67 per square foot with an average of \$10.33 per square foot. The property's tax liability of \$10.55 per square foot is considered reasonable and will be applied in the development of the property's operating expenses.

SITE DESCRIPTION



GENERAL INFORMATION

Location: The subject property is on the south side of St Marks Place between 1st Avenue and 2nd Avenue in the East Village neighborhood of the Borough of Manhattan, New York County, City and State of New York.

Site Size: 4,875 square feet

Frontage/Depth:

Street	Frontage (FT)	Depth (FT)
St Marks Place	50	98

Shape: Regular

Assessor's Parcel Number: New York County tax maps: Block 449, Lots 28.

Topography: Level at street grade.

View: Average – street views.

Drainage: Assumed adequate.

Paving:	Public roads are paved with macadam. Cement sidewalk paving in front of site.
Street Lighting:	Street lighting posts are mounted per City of New York requirements. Lighting consists of standard 400-watt, mercury vapor lighting fixtures controlled by photocells.
Hazardous Substances:	<p>The appraiser is not qualified to detect the existence of any toxic or hazardous materials or underground storage tanks that may be present on or near the subject site. The existence of these hazardous materials or underground storage tanks may affect the value of the property.</p> <p>Leitner Berman has assumed that the property is not affected by any hazardous materials or underground storage tanks.</p>
Land Use Restrictions, Easements, and Encroachments:	It is assumed that there are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use.

UTILITIES & SERVICES

Water Supply:	Supplied by the municipality.
Sewer Service:	Supplied by the municipality.
Gas Service:	Consolidated Edison
Telephone:	Verizon, AT&T, or competitive carriers
Electrical:	Consolidated Edison
Trash, Police and Fire Department:	City of New York

SITE CONCLUSION

The subject site is well located, with good visibility and frontage. The site size is typical for the area and use. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use.

Flood Hazard/Status Map

The subject site is located within Zone X per FEMA Flood Insurance Rate Map 3604970201F, effective September 5, 2007. Zone X is an area of minimal flood hazard.



BUILDING DESCRIPTION

GENERAL INFORMATION

Year Built:	1850 +/-
Stories:	5 stories
Exterior:	Brick
Frame:	Brick
Foundation:	Concrete and masonry. The foundation is of adequate load-bearing capacity to support the improvements.
Windows:	Double hung windows.
Roof:	We were not provided roof access.
Elevators:	None.
Entrances:	<p>The entrances to the bar and theatre spaces are accessed at grade, noting the theatre space entrance leads to a ticket window, outdated bathrooms, and the large below grade theatre space that contains five levels of seating and 199 seats that is atypical to the submarket. There are two residential entrances to the property. Units within the 78 St. Marks Place portion of the property are accessed up a flight of stairs leading to the second floor of the property. The second floor of 78 St. Marks Place currently contains tenant mailboxes, a museum space, and a staircase up to the third-floor office space, and fourth and fifth floor apartments. Units within the 80 St. Marks Place portion of the property are accessed at grade level, leading to a staircase that provides access to the second through fourth floor triplex unit, and the fifth-floor storage space.</p>
Stairs:	<p>There is a main internal staircase in 78 St. Marks Place leading from the second floor to the upper floors, and a main internal staircase in 80 St. Marks Place leading from the grade level to the upper floors.</p>
Electricity:	<p>Standard electrical service, with apartments and retail spaces containing circuit breakers. There are individual electric meters in the basement.</p>

Gas/Heat/Air Conditioning:

There is one gas meter, one gas boiler, and one gas hot water heater in the basement. Typical new construction/newly renovated mixed-use apartment buildings with grade level retail and apartments above contain individual gas meters, individual boilers, and individual hot water heaters. There are split condensers in the backyard that provide air conditioning to the apartments.

Parking and Drives:

None.

Security:

Buzzer entry and security cameras.

Apartment Finishes:

The apartments are in poor condition. The apartments have wood and outdated tile floors. Kitchens have a small, outdated gas stove, refrigerator, and wood cabinetry. Overall, the kitchens are in poor condition and would require gut renovations as they are not presently up to typical renter's standards. The bathrooms have tile floors, painted plaster and tile walls and a single vanity sink.

Basement:

The basement contains the electric meters, gas meter, gas boiler, and gas hot water heater.

Layout:

The grade level contains a bar and theatre space (total of 4,500 square feet). There are two separate entrances to the upper floor portions of the subject property, one at grade, and one up an exterior flight of stairs leading to the second floor. The exterior staircase leading to the second-floor entrance of 78 St. Marks Place leads to a museum space, a staircase up to the third-floor office space, and fourth and fifth floor apartments. The second-floor entrance of 78 St. Marks Place contains chipped wood on the door frame and painted plaster walls that include a large portion that has been peeled back to show the brick building frame. The second-floor museum space is limited on a rental basis and the entire space would require a gut renovation to convert the space to a more typical use. As the space is now, there are cracks in the finishes, and a slanted ceiling. The third floor includes "office space" that is being utilized as storage space for chairs and seat cushions for the theatre. The space is in substandard condition and is not well maintained. The apartment above contains a sloped ceiling and skylights that have been poorly maintained and need to be replaced. The bathroom and kitchen within the apartment have not been maintained and would require a gut renovation.

The grade level entrance of 80 St. Marks Place leads to a staircase up to the second through fourth floor triplex unit, and the fifth-floor storage space. The triplex unit includes a kitchen on the first floor and third floor of the unit that would require complete gut renovations. Additionally, the bathrooms within the triplex are outdated and have not been maintained. The first floor of the triplex unit contains a front terrace that overlooks St. Marks Place, which clearly shows chipped painted exterior brick. The bedrooms contain water stains on the ceiling. We were not provided access to the fifth-floor storage space as there was an immovable, broken sofa that ownership has left in the hallway, preventing access to the fifth-floor storage space, which further emphasizes the dilapidated state of the building.

Deferred Maintenance:

The subject property suffers from deferred maintenance and obsolescence. It is not prudent to fix these items of deferred maintenance and obsolescence, rather a typical investor would embark on a gut renovation of the property to convert the property to its highest and best use.

ELEMENTS OF DEPRECIATION

Physical Deterioration

According to Marshall and Swift, these buildings have an economic life of 60 years. The subject property was constructed in 1850 +/- and is currently in fair-poor condition with an effective age of 75 years, and is beyond its economic life.

Economic Age and Depreciation	
Actual Age	171
Effective Age	75
Marshall & Swift Expected Life	60
Accrued Physical Depreciation	125%

Functional Obsolescence

The subject property is functional for use as a traditional mixed-use apartment building with grade level retail and apartments above. The current layout of the subject property with grade level retail (bar), grade level/below grade level theatre space, upper floor museum, office, apartment, and storage space is atypical to the submarket and the existing use is functionally obsolete.

External Obsolescence

The subject property is located within a neighborhood containing the required level of service necessary for use as a mixed-use apartment building. Therefore, the subject property is not considered to exhibit external obsolescence.

Conclusion

Considering the foregoing, it is our opinion that the subject property is an atypical mixed-use apartment building with grade level retail (bar), grade level/below grade level theatre space, upper floor museum, office, apartment, and storage space. The subject property is in fair-poor condition and requires significant renovations. We have been provided with a hard cost renovation budget of \$5,000,000 (RD) prepared by Wesbuilt (see Addenda) to reposition the subject property into a mixed-use apartment building with grade level retail and apartments above that will conform to the highest and best use of the subject property. The information contained in the sections entitled "Zoning Analysis," "Assessed Value and Real Estate Taxes," "Site Description" and "Building Description" was obtained from the following sources:

- 1) Formal field inspection, February 9, 2022;
- 2) Building Owner
- 3) City of New York Tax and Zoning records

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which property value is based. The four criteria the highest and best use must meet are:

- Legally permissible;
- Physically possible;
- Financially feasible; and
- Maximally productive.

Highest and best use is defined below:

The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.⁴

The highest and best use analysis establishes the highest and best use of the site as if vacant and the ideal improvements for the site as if developed. It then compares the ideal improvements to the existing improvements to determine whether any changes or modifications to existing improvements are deemed necessary.

Highest and Best Use of Site as Vacant

- The analysis of land as though vacant focuses on alternative uses of the land, with an appraiser analyzing each reasonably probable use. The highest and best use of a vacant land parcel is that use which yields the highest present land value, after payments are made for labor, capital, and coordination.

Highest and Best Use of Property as Improved

- The analysis of improved property which contemplates whether a building owner should retain the improvements, modify the improvements (conversion, renovation, alteration), or demolish the improvements and redevelop the land.

The highest and best use of the subject property is discussed on the following pages:

⁴ Appraisal Institute, The Dictionary of Real Estate Appraisal, 15th ed. (Chicago: Appraisal Institute, 2015), p. 30.

AS VACANT

Legal Permissibility:

The parcel is zoned R7A with a C1-5 Commercial overlay which permits use as a mixed-use apartment building with grade level retail and apartments above as of right. No known zoning change is anticipated and there are no public or private deed restrictions that preclude development.

Our analysis of the market indicates that the subject location supports the current zoning. It is our opinion that the site, if vacant, could be developed for the above legally permitted (and assumed) uses.

Physically Possible:

The site is of good size (4,875 square foot parcel) and has good street access. All necessary utilities are available, and there are no apparent easements or encroachments that would hinder development. Its size falls within the range of improved sites in the area and is not considered to restrict the utility of the subject in relation to competing sites. Any of the above legally permitted uses, therefore, are considered physically possible.

Financially Feasible:

The subject property is in the East Village neighborhood of Manhattan. Our research indicates that market rent for new development supports new construction.

Maximally Productive & Conclusion:

All legally permissible, physically possible, and financially feasible uses of the site, as vacant, have been presented and examined. In conclusion, it is our opinion that the highest and best use of the subject, as vacant, is development of a mixed-use apartment building with grade level retail and apartments above.

AS IMPROVED

Legal Permissibility:

The site is improved with a mixed-use apartment building with grade level retail (bar), grade level/below grade level theatre space, upper floor museum, office, apartment, and storage space that is of conforming use and complying bulk. Therefore, the improvements are legally permissible.

Physically Possible:

The current layout and use of the improvements are considered functionally obsolete. Based on the demands of the current marketplace, reuse of the property as a traditional mixed-use apartment building with grade level retail and apartments above would be the most functional.

Financially Feasible:

Based on the continuance of the current use and layout of the subject property, the improvements have a current value of \$7,200,000. As a shell building that can be developed in accordance with the highest and best use, the property has a value of \$10,200,000. Therefore, it is financially feasible to renovate the building.

Maximally Productive & Conclusion:

All legally permissible, physically possible, and financially feasible uses of the subject "As Improved" have been presented and examined. In summary, our opinion is that the highest and best use of the subject property, as improved, is not its current use, rather it is a renovation into a traditional mixed-use apartment building with grade level retail and apartments above.

APPRAISAL METHODOLOGY

The appraisal process considers three valuation methods:

- Income Capitalization Approach
- Sales Comparison Approach
- Cost Approach

The Income Approach is a set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

In the Sales Comparison Approach, market value is estimated by comparing the subject property to similar properties. This approach is based on the principle of substitution and contribution which states that a knowledgeable investor will pay no more for a property than would be paid for a comparable substitute property.

The Cost Approach is based on the principle of substitution, which affirms that a prudent and informed purchaser will pay no more for a specific property than the cost of producing a substitute property of equal or similar desirability and utility.

This approach is a method of valuation consisting of four basic steps:

1. Estimation of the property's land value, as if vacant.
2. Estimation of the current cost of replacing or reproducing the existing improvements.
3. Estimation and deduction of accrued depreciation from all causes.
4. Adding an entrepreneurial profit, the value of the land, and the depreciated value of the improvements.

These approaches to value are reconciled into a final market value estimate. The strengths and weaknesses of each approach are discussed, and a final value estimate is made.

We have used both the Income Approach and Sales Comparison Approach to value the subject property. The property was constructed in 1850 +/- . Due to the property's age, it is difficult to measure accrued depreciation and obsolescence. The Cost Approach is not considered by investors in the subject's market to provide a reliable indicator of value for older properties. We have excluded this approach from our valuation.

INCOME CAPITALIZATION APPROACH

In the Income Capitalization Approach, a property's capacity to generate future benefits is analyzed; the forecasted income is capitalized into an indication of present value. Commonly used measures of anticipated benefits are:

- **Potential Gross Income:** the total potential income attributable to the real property at full occupancy before operating expenses are deducted. It may refer to the level of rental income prevailing in the market or that contractually determined by existing leases.
- **Effective Gross Income:** the anticipated income from all operations of real property adjusted for vacancy and collection losses.
- **Net Operating Income:** the anticipated net income remaining after all operating expenses are deducted from effective gross income.
- **Equity Dividend:** the portion of net income that remains after debt service is paid; this is returned to the equity position.
- **Reversion:** A lump-sum benefit an investor expects to receive upon the termination of the investment.

Direct vs. Yield Capitalization

The Income Capitalization Approach supports two methodologies: Direct and Yield Capitalization.

- **Direct Capitalization:** A method used to convert an estimate of a single year's net operating income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. This technique employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered. Yield and value change are implied, but not identified overall. This method is most useful when the property is already operating on a stabilized basis.⁵
- **Yield Capitalization:** The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate. This method explicitly considers a series of cash flows (net income over a holding period) over time together with any reversion value or resale proceeds. Since this technique explicitly reflects the investment's income pattern, it is especially suited to multi-tenant properties with varying leasing schedules as well as properties that are not operating at stabilized occupancy.⁶

To complete our Income Capitalization method, we must first analyze the income and expenses as follows:

⁵ *The Appraisal of Real Estate*, 14th edition (Chicago, IL: Appraisal Institute 2013): 66

⁶ *The Appraisal of Real Estate*, 14th edition (Chicago, IL: Appraisal Institute 2013): 493

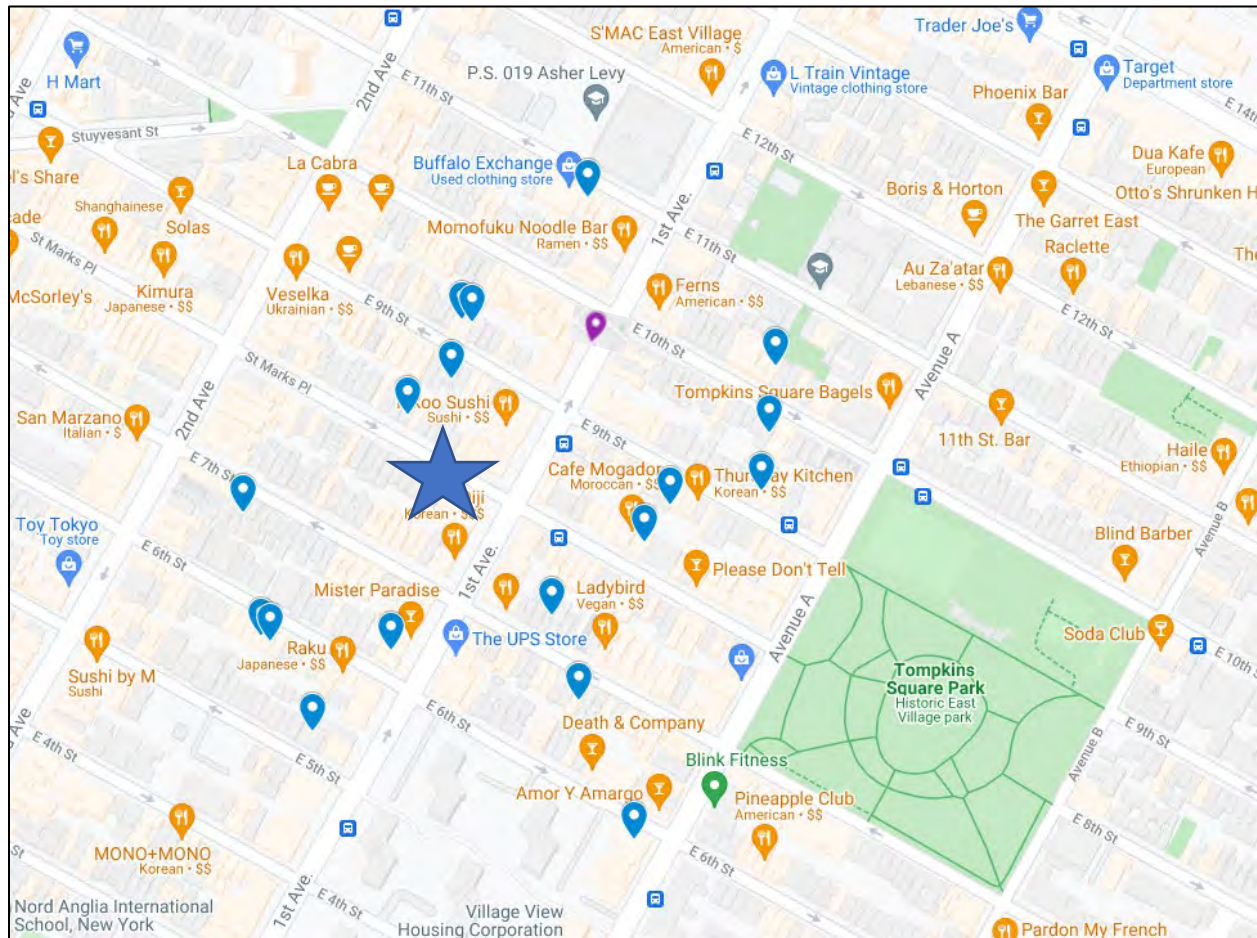
Income Analysis

As a shell building that can be developed in accordance with the highest and best use, the property will contain 8,400 square feet of leasable residential square footage and 4,500 square feet of leasable grade level retail square footage. In our analysis, the building is effectively vacant and market rent will be applied to the property.

Comparable Apartment Leases

We have researched similar projects in the subject's market to estimate a market rent applicable for the subject apartments.

COMPARABLE APARTMENTS MAP



SUMMARY OF COMPARABLE APARTMENTS

Property Address	Number Of Units	RBA	Year Built	Number Of Stories	Avg Unit SF	Avg Effective Rent/Unit	Avg Effective Rent/SF	% Studios	% 1-Bed	% 2-Bed	% 3-Bed
324 E 6th St	20	7,730	1920	5	348	\$2,135	\$74	100.00			
52 E 7th St	20	11,600	1920	5	455	\$3,179	\$84		100.00		
338-340 E 11th St	21	10,700	1900	5	455	\$2,428	\$64	71.43	28.57		
101 1st Ave	4	7,040	1900	5	1,200	\$6,454	\$65	80.00			20.00
343-345 E 5th St	28	25,200	1900	6	900	\$4,532	\$60		28.57	35.71	35.71
326 E 6th St	21	6,960	1920	5	375	\$2,089	\$67	100.00			
440 E 6th St	26	24,924	1900	6	1,000	\$5,333	\$64			50.00	50.00
110 E 7th St	22	17,500	1900	6	300	\$2,187	\$87		72.73	27.27	
331 E 9th St	10	9,375	1900	5	769	\$4,699	\$73	40.00	20.00	20.00	20.00
333 E 9th St	8	8,285	1900	5	900	\$4,939	\$66			50.00	50.00
340 E 9th St	10	7,300	1900	5	730	\$3,682	\$60			100.00	
278 E 10th St	23	11,550	1920	6	410	\$2,412	\$71	56.52	39.13	4.35	
418 E Ninth St	13	9,504	1900	6	621	\$3,390	\$66	15.38		84.62	
435 E Ninth St	16	7,412	1920	4	460	\$2,693	\$70	71.43	14.29	14.29	
103 Saint Marks Pl	21	13,405	1920	6	606	\$4,360	\$86			100.00	
97 E Seventh St	22	10,000	1920	5	450	\$2,566	\$68		50.00	50.00	
63 St Marks Pl	13	7,160	1900	5	669	\$3,759	\$67	38.46	30.77	30.77	
267 E Tenth St	18	8,100	1920	5	476	\$3,328	\$84	62.50	25.00	6.25	6.25
				Min	300	\$2,089	\$60				
				Avg	601	\$3,487	\$70				
				Max	1,200	\$6,454	\$87				

Comparable Rentals Conclusion

Comparable apartments in the East Village neighborhood range from 300 to 1,200 square feet, with an average of 601 square feet. The units range from \$2,089 to \$6,454 per month, with an average of \$3,487 per month. The average rent per square foot of the comparable apartments ranges from \$60 to \$87 per square foot, with an average of \$70 per square foot.

MARKET RENT PROJECTIONS

Rent Conclusion for Free Market Apartments	
Concluded Rent PSF	\$85
Rentable Residential Square Footage	8,400
Projected Monthly Free Market Residential Income	\$59,500
Projected Annual Free Market Residential Income	\$714,000

Based on the comparable rentals in the subject area, we have attributed \$85 per square foot to the leasable residential square footage which equates to a total monthly rent of \$59,500 , and a total annual rent of \$714,000 for the residential portion of the subject property. The concluded rent per square foot attributed to the subject property is at the high end of the comparable range, however, is reasonable as a fully gut renovated building should generate rental income towards the higher end of the market range.

RESIDENTIAL RENT PROJECTIONS

Income Type	Monthly Rent	Annual Rent	Adj	PGI
Projected Free Market Apartments	\$59,500	\$714,000	x 1.0000 =	\$714,000
Total	\$59,500	\$714,000		\$714,000

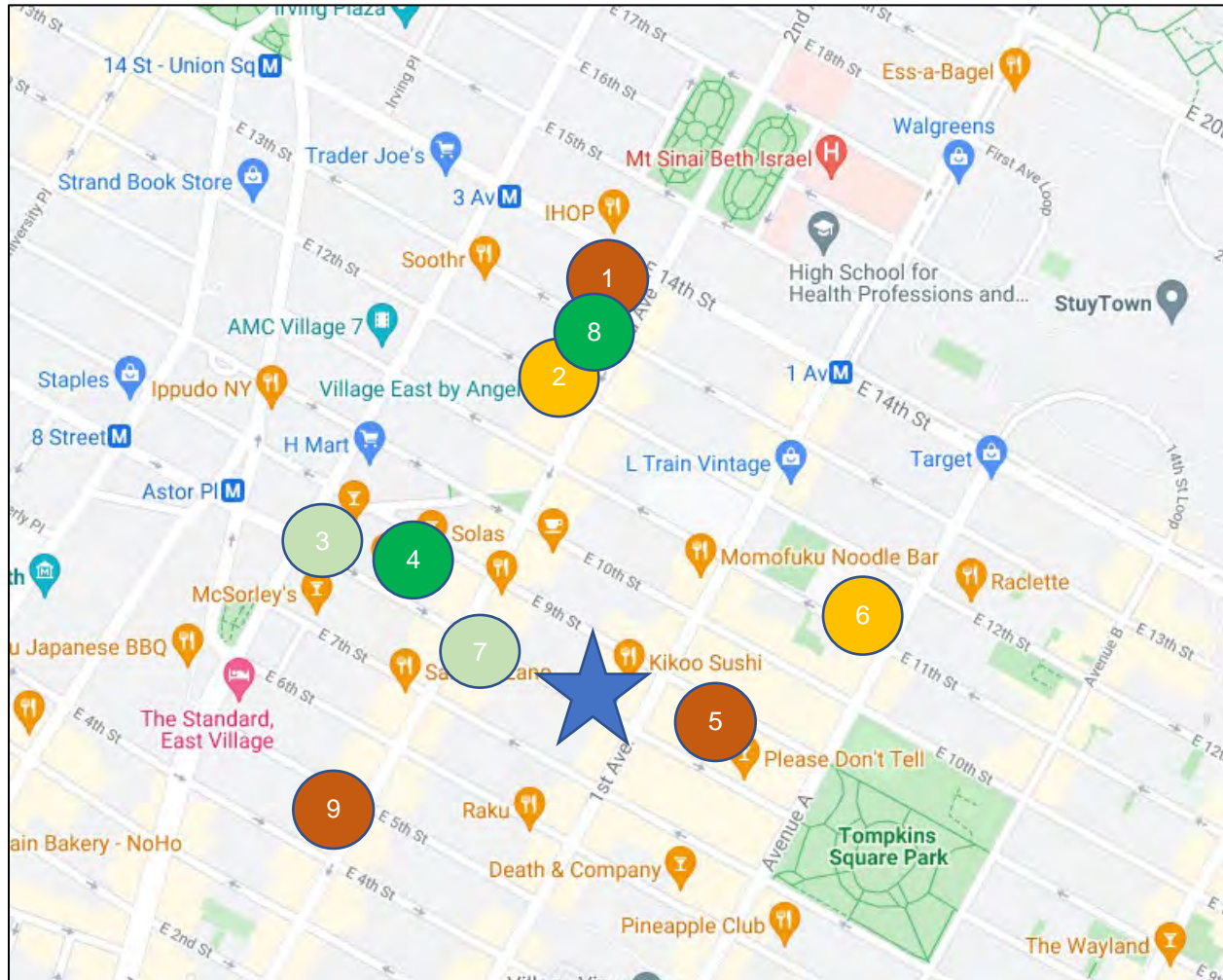
Commercial Income

The subject property "As Renovated" will contain 4,500 square feet of grade level retail space. We will apply market rent to the proposed leasable grade level space.

Comparable Grade Level Retail Leases

We have researched leases in the subject's market to estimate a market rent applicable for the subject's grade level retail space.

COMPARABLE GRADE LEVEL RETAIL LEASES MAP



SUMMARY OF COMPARABLE GRADE LEVEL RETAIL LEASES

Comparable Lease #	Address	Tenant	Space Size (SF)	Floor	Sign Date	Start Date	Rent PSF	Services	Term (Years)
1	221 2nd Avenue	Sincerely Ophelia	4,038	Ground	Dec-21	Feb-22	\$90	MG (Taxes over base year)	10
2	193-195 2nd Avenue	PlantShed	2,378	Ground	Nov-21	Mar-22	\$81	MG (Taxes over base year)	15
3	4 St Marks Place	WeedWorld	2,500	Ground	Oct-21	Oct-21	\$92	MG (Taxes over base year)	12
4	31 St Marks Place	Undisclosed	400	Ground	Sep-21	Oct-21	\$120	MG (Taxes over base year)	10
5	103 St Marks Place	St. Marks Place Convenience Store 30	600	Ground	Sep-21	Sep-21	\$120	MG (Taxes over base year)	10
6	171 Avenue A	Undisclosed	1,842	Ground	Jul-21	Aug-21	\$104	MG (Taxes over base year)	Undisclosed
7	124 2nd Avenue	Mochinut East Village Inc.	1,600	Ground	Jul-21	Jul-21	\$120	MG (Taxes over base year)	10
8	197 2nd Avenue	Fine Food and Spirits LLC	1,600	Ground	Jun-21	Jun-21	\$81	MG (Taxes over base year)	10
9	73 2nd Avenue	Cinnamon Girl	1,500	Ground	May-21	Jun-21	\$96	MG (Taxes over base year)	10
			400				\$81		
			4,038				\$120		
			1,829				\$100		

Analysis of Comparable Grade Level Retail Leases

For grade level retail leases, adjustments are made on a percentage basis. Upward adjustments are made to a comparable lease for considerations or conditions deemed to be inferior when compared to the subject lease. Downward adjustments are made to a comparable lease for considerations or conditions deemed to be superior when compared to the subject lease.

CONSIDERATION	ADJUSTMENT DISCUSSION
Market Conditions (Time):	The leases were signed within recent months. No adjustments have been made for market conditions.
Location:	The subject and comparable leases 1, 2, 5, 6, and 8 are in similar areas within the East Village and have not been adjusted. Comparable leases 3 and 4 are in slightly superior locations within the East Village and have been adjusted downward 5%. Comparable leases 7 and 9 are in superior locations within the East Village and have been adjusted downward 10%.
Size:	The subject's grade level retail space totals 4,500 square feet. Comparable leases 1, 2, 3, 6, 7, 8, and 9 are similar in size to the subject spaces and have not been adjusted. Comparable leases 4 and 5 are smaller spaces and have been adjusted downward 10%.
Lease Terms:	The subject's grade level retail space will be leased on a modified gross lease basis, and the comparable leases are modified gross leases. No adjustments have been made.
Condition/Age:	No adjustments for condition have been made.
Utility:	The subject's grade level retail space and the comparable leases are similar spaces. No adjustments have been made.

COMPARABLE GRADE LEVEL RETAIL LEASE ADJUSTMENTS

Rental	Rent PSF	Time	Adj.	Location	Size	Terms	Condition	Utility	Total Adj.	Rent PSF
1	\$90	0.00%	\$90	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$90
2	\$81	0.00%	\$81	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$81
3	\$92	0.00%	\$92	-5.00%	0.00%	0.00%	0.00%	0.00%	-5.00%	\$87
4	\$120	0.00%	\$120	-5.00%	-10.00%	0.00%	0.00%	0.00%	-15.00%	\$102
5	\$120	0.00%	\$120	0.00%	-10.00%	0.00%	0.00%	0.00%	-10.00%	\$108
6	\$104	0.00%	\$104	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$104
7	\$96	0.00%	\$96	-10.00%	0.00%	0.00%	0.00%	0.00%	-10.00%	\$86
8	\$81	0.00%	\$81	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$81
9	\$120	0.00%	\$120	-10.00%	0.00%	0.00%	0.00%	0.00%	-10.00%	\$108
Low	\$81								Low	\$81
High	\$120								High	\$108
Average	\$100								Average	\$94
Median	\$96								Median	\$90

As adjusted, the comparable leases range from \$81 to \$108 per square foot, with an average of \$94 per square foot. We have concluded to a market rent of \$100 per square foot for the grade level retail space.

GRADE LEVEL RETAIL INCOME PROJECTION

Concluded Market Rent		\$100
Grade Level Retail (SF)	x	4,500
Projected Retail Income		\$450,000

Based on the concluded market rent of \$100 per square foot, we have projected \$450,000 in annual retail income which has been included in our analysis.

Potential Gross Income

The property's potential gross revenue is calculated below:

Residential Income	\$714,000
Commercial Income	\$450,000
Potential Gross Income	\$1,164,000

Vacancy/Collection Loss

The subject is currently vacant. Based on current market conditions and investor expectations, we have applied a 3.0% vacancy and collection loss to the residential portion of the property. As discussed on page 26 of the report current vacancy rates in the submarket are 1.4%. Inclusive of collection loss, our concluded residential vacancy and collection loss rate of 3.0% is reasonable. An 8.0% vacancy and collection loss to the commercial portion of the property. These vacancy rates are based on the appraiser's investigation and walking of the neighborhood.

EFFECTIVE GROSS INCOME

Potential Gross Income	\$1,164,000
Less Residential V/C Loss @ 3%	(\$21,420)
Less Commercial V/C Loss @ 8%	(\$36,000)
Effective Gross Income	\$1,106,580

Operating Expenses

We have been provided with the Lee and Associates offering memorandum which includes projected operating expenses. We will base our projections on the offering memorandum and comparable operating expenses in determining our subject's operating expenses.

To fully project stabilized expenses for the subject property, on the following pages, we present comparable expenses from typical mixed-use apartment buildings in the subject's immediate area.

COMPARABLE OPERATING EXPENSES

Expense Comparable	1	2	3
Size (SF)	12,290	15,240	7,990
Units	7	10	12
Year Built	1900	1920	1868
Revenue	\$ \$/SF	\$ \$/SF	\$ \$/SF
Total Revenue	\$948,788 \$77.20	\$1,009,498 \$66.24	\$593,098 \$74.23
Operating Expenses	\$ \$/SF	\$ \$/SF	\$ \$/SF
Insurance	\$14,134 \$1.15	\$13,716 \$0.90	\$7,910 \$0.99
Common Area Electric	\$4,179 \$0.34	\$2,591 \$0.17	\$1,918 \$0.24
Gas/Heat	\$7,251 \$0.59	\$6,096 \$0.40	\$3,675 \$0.46
Water and Sewer	\$14,625 \$1.19	\$13,564 \$0.89	\$8,390 \$1.05
Repairs and Maintenance	\$7,989 \$0.65	\$5,944 \$0.39	\$4,554 \$0.57
Payroll	\$20,279 \$1.65	\$21,336 \$1.40	\$12,624 \$1.58
Miscellaneous and Administration	\$3,687 \$0.30	\$2,896 \$0.19	\$1,358 \$0.17
Management	\$42,695 \$3.47	\$45,427 \$2.98	\$26,689 \$3.34
Total Operating Expenses (exc. RET)	\$114,838 \$9.34	\$114,069 \$7.48	\$67,119 \$8.40
Operating Expense Ratio (exc. RET)	12%	11%	11%

The property's projected expenses will be based on the comparable expenses as follows:

Insurance

Insurance costs can vary, but are generally dependent on building size and total liability.

Insurance			
Price PSF	Min	Avg	Max
Offering Memorandum		\$0.99	
Comparables	\$0.90	\$1.01	\$1.15
Appraiser	\$1.00		

The provided offering memorandum projected this expense at \$ 0.99 per square foot. The comparable insurance expenses range from \$0.90 to \$1.15 per square foot, with an average of \$1.01 per square foot. Our estimate for the insurance expense is \$1.00 per square foot, or \$14,400 annually, which is supported by the projection on the provided offering memorandum and is within range of the comparable expenses.

Common Area Electric

Tenants are individually metered for their in-unit electric usage. The landlord is responsible for common area electric.

Common Area Electric			
Price PSF	Min	Avg	Max
Offering Memorandum		\$0.99	
Comparables	\$0.17	\$0.25	\$0.34
Appraiser	\$0.25		

The provided offering memorandum projected this expense at \$ 0.99 per square foot. The comparable common area electric expenses range from \$0.17 to \$0.34 per square foot, with an average of \$0.25 per square foot. Our estimate for the common area electric expense is \$0.25 per square foot, or \$3,600 annually, which is within range of the comparable expenses and is a more typical common area electric expense.

Gas/Heat

“As Renovated”, apartment tenants will be responsible for cooking gas, heat, and hot water service. Ownership will be responsible to provide heat service to the grade level retail space and common area heat to the building.

Gas/Heat			
Price PSF	Min	Avg	Max
Offering Memorandum		\$0.99	
Comparables	\$0.40	\$0.48	\$0.59
Appraiser	\$0.50		

The provided offering memorandum projected this expense at \$ 0.99 per square foot. The comparable gas/heat expenses range from \$0.40 to \$0.59 per square foot, with an average of \$0.48 per square foot. Our estimate for the gas/heat expense is \$0.50 per square foot, or \$7,200 annually, which is within range of the comparable expenses and is a more typical gas/heat expense.

Water and Sewer

Water and sewer expenses include building-wide charges for all units and common areas.

Water and Sewer			
Price PSF	Min	Avg	Max
Offering Memorandum		\$0.50	
Comparables	\$0.89	\$1.04	\$1.19
Appraiser	\$1.00		

The provided offering memorandum projected this expense at \$ 0.50 per square foot. The comparable water and sewer expenses range from \$0.89 to \$1.19 per square foot, with an average of \$1.04 per square foot. Our estimate for the water and sewer expense is \$1.00 per square foot, or \$14,400 annually, which is within range of the comparable expenses and is a more typical water and sewer expense.

Repairs and Maintenance

Repairs and maintenance expenses include charges for internal building upkeep, painting, unit turnover, and any cleaning services. This expense will vary based on the building's condition.

Repairs and Maintenance			
Price PSF	Min	Avg	Max
Offering Memorandum		\$1.98	
Comparables	\$0.39	\$0.54	\$0.65
Appraiser	\$0.50		

The provided offering memorandum projected this expense at \$ 1.98 per square foot. The comparable repairs and maintenance expenses range from \$0.39 to \$0.65 per square foot, with an average of \$0.54 per square foot. Our estimate for the repairs and maintenance expense is \$0.50 per square foot, or \$7,200 annually, which is within the range of the comparable expenses and is a more typical repairs and maintenance expense following anticipated building wide renovations.

Payroll

Payroll expenses cover all salaries, benefits, and employer taxes for all part-time building staff. This expense does not include management fees which are paid to a third-party management company. There is no live-in superintendent at the subject property.

Payroll			
Price PSF	Min	Avg	Max
Offering Memorandum			
Comparables	\$1.40	\$1.54	\$1.65
Appraiser	\$1.50		

The provided offering memorandum did not report this expense. The comparable payroll expenses range from \$1.40 to \$1.65 per square foot, with an average of \$1.54 per square foot. Our estimate for the payroll expense is \$1.50 per square foot, or \$21,600 annually, which is within the range of the comparable expenses.

Miscellaneous and Administrative

The miscellaneous and administrative expense includes all office expenses, travel, professional fees, dues and subscriptions, and technology.

Miscellaneous and Administration			
Price PSF	Min	Avg	Max
Offering Memorandum			
Comparables	\$0.17	\$0.22	\$0.30
Appraiser	\$0.25		

The provided offering memorandum did not report this expense. The comparable miscellaneous and administration expenses range from \$0.17 to \$0.30 per square foot, with an average of \$0.22 per square foot. Our estimate for the miscellaneous and administration expense is \$0.25 per square foot, or \$3,600 annually, which is within the range of the comparable expenses.

Management

The management fee is a fee paid to a third-party, off-site manager for overseeing the management of the property. This fee is a factor of the property's effective gross income and typically ranges from 2% to 6% of EGI.

Management			
Price PSF	Min	Avg	Max
Offering Memorandum		\$2.10	
Comparables	\$2.98	\$3.27	\$3.47
Appraiser	\$3.07		

The provided offering memorandum projected this expense at \$ 2.10 per square foot. The comparable management expenses range from \$2.98 to \$3.47 per square foot, with an average of \$3.27 per square foot. Our estimate for the management expense is 4.00% of effective gross income, which results in a management expense of \$3.07 per square foot, or \$44,263 annually, which is within the range of the comparable expenses.

Replacement Reserves

Replacements reserves are an additional expense that is underwritten to account for unforeseen repairs or replacement of building components. Generally, one-time repairs are classified as capital improvements, not ongoing expenses, so building management does not classify them as an expense. Typically, this expense is underwritten between \$0.10 and \$0.25 per square foot.

The provided offering memorandum did not report this expense. The comparable expenses did not report replacement reserves. We have concluded at \$0.20 per square foot, or \$2,880 annually for the replacement reserve expense.

Total Operating Expenses (Excluding Real Estate Taxes)

Operating expenses exclusive of real estate taxes were forecasted at \$8.27 per square foot. Excluding real estate taxes, the comparable building operating expenses ranged from \$7.48 to \$9.34 per square foot, with an average of \$8.41 per square foot. As our projected expenses are within the comparable range on a price per square foot basis, the expense projections are reasonable and will be included in our analysis.

Real Estate Taxes

As noted earlier, real estate taxes are not generally considered to be an item of comparison when analyzing comparable building expenses. The subject property's real estate taxes are \$151,959, or \$10.55 per square foot for the 2022/2023 tax year. This tax value per square foot is within the previously discussed comparable tax analysis and thus will be included in our analysis as follows.

Stabilized Income and Expenses

Income	\$	\$/SF
Residential Income	\$714,000	\$49.58
Commercial Income	\$450,000	\$31.25
Potential Gross Income	\$1,164,000	\$80.83
Less Residential V/C Loss @ 3%	(\$21,420)	(\$1.49)
Less Commercial V/C Loss @ 8%	(\$36,000)	(\$2.50)
Effective Gross Income	\$1,106,580	\$76.85
Operating Expenses	\$	\$/SF
Insurance	\$14,400	\$1.00
Common Area Electric	\$3,600	\$0.25
Gas/Heat	\$7,200	\$0.50
Water and Sewer	\$14,400	\$1.00
Repairs and Maintenance	\$7,200	\$0.50
Payroll	\$21,600	\$1.50
Miscellaneous and Administration	\$3,600	\$0.25
Management	\$44,263	\$3.07
Replacement Reserves	\$2,880	\$0.20
Total Operating Expenses (exc. RE Taxes)	\$119,143	\$8.27
Operating Expense Ratio (exc. RE Taxes)	10.8%	
Real Estate Taxes	\$151,959	\$10.55
Total Operating Expenses	\$271,102	\$18.83
Operating Expense Ratio	24.5%	
Net Operating Income	\$835,478	\$58.02

Direct Capitalization

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into an indication of value. Four general approaches are used in deriving an overall cap rate ("OAR").

- Comparable sale capitalization rates
- Investor surveys
- Guidance from market participants
- Mortgage-equity technique

On the following pages, all four approaches will be addressed.

Comparable Sale Capitalization Rates

Comparable trades are generally a strong indicator of current market capitalization rates. Sales with capitalization rates are summarized here, with their sale dates and corresponding capitalization rates. Factors like market conditions and rent regulation will influence a given property's capitalization rate.

#	Address	Size (SF)	# of Units	Sale Date	Sale Price	Cap Rate
1	34-36 East 4th Street	19,240	37	Oct-21	\$16,500,000	5.09%
2	132 West Houston Street	5,744	4	Sep-21	\$7,850,000	4.83%
3	393 Second Avenue	4,810	4	Apr-21	\$3,880,000	5.71%
4	123 First Avenue	3,680	4	Nov-20	\$3,050,000	5.00%
5	109 Avenue A	16,581	10	Feb-20	\$20,750,000	4.53%
6	16 St Marks Place	11,909	20	Jan-20	\$8,475,000	4.50%
						Min 4.50%
						Max 5.71%
						Average 4.94%

Comparable sales 1, 5, and 6 are included in the Sales Comparison Approach while the additional sales are used as capitalization rate support. The comparable sales traded with capitalization rates ranging from 4.50% to 5.71%, with an average of 4.94%. As a gut renovated property, the subject would trade at a capitalization rate below the average of the comparable sales.

Investor Surveys

Results of the most recent investor surveys are summarized on the following page.

Investor Surveys - Capitalization Rates			
Survey	Min.	Max	Average
PwC Apartment			
National Apartment - 4Q 2021	3.50%	8.00%	5.22%
RERC Apartment			
4Q 2021	4.50%	6.50%	5.40%

PwC publishes a quarterly capitalization rate survey. The range for multifamily capitalization rates nationally ranged from 3.50% to 8.00%, with an average of 5.22%.

RERC also publishes a quarterly capitalization rate survey. The range for apartment capitalization rates nationally ranged from 4.50% to 6.50%, with an average of 5.40%.

Guidance from Market Participants

We surveyed market participants for guidance on appropriate capitalization rates for similar assets in the property's market. These market participants include investment sales brokers, leasing agents, property managers, capital markets brokers, and owner/developers.

The general consensus from market participants indicated that the Covid-19 pandemic has not impacted rental rates and sale prices for mixed-use apartment buildings in the subject's submarket. Market participants anticipate capitalization rates in the local market to range from 4.50% to 5.50%.

Mortgage-Equity Technique

The mortgage-equity technique (also known as the Akerson formula or the Ellwood method), considers the return of equity (including any potential appreciation/depreciation) in property value over the income projection period. This method also accounts for the effects of financing through mortgage amortization and any additional equity benefits.

Direct capitalization measures a single, stabilized year's anticipate income in order to determine its value by a market capitalization rate. The mortgage-equity technique relies on risk, debt, and equity goal requirements. The below are considered in the development of a capitalization rate via the mortgage equity technique:

- Financing terms
- Holding period
- IRR
- Equity yield
- Change in value

Financing Terms

Typical financing terms are dependent on a loan-to-value ratio ("LTV"), the loan's interest rate, and the amortization structure. The LTV of a particular loan are depending on factors ranging from lender profile to risk of the transaction. Generally, LTVs range from 55% to 75%.

Interest rates are a function of the leverage of a deal. Given the current economic climate, an average deal's interest rate ranges from 3.5% on the low-end to over 6.0% on the high-end.

Amortization periods range depending on the structure and term of a deal. Generally, they vary from 20 to 30 years.

In the development of the capitalization rate, the following financing terms have been selected: 75% loan-to-value, 3.50% interest rate, and a 30-year amortization period.

IRR

Typical investors require an IRR which is greater than a base rate which is offered for long-term treasury bonds or high-grade corporate bonds. The difference between the IRR and base rate is the risk premium associated with undertaking the transaction, as well as the lack of liquidity for a real estate transaction when compared to more liquid investment opportunities.

Several base rates have been utilized as market indicators for an investor's IRR.

Base Rate Indicators	
Fed Fund Rate	0.25%
Prime Rate	3.25%
10-Year Treasury Note	0.94%
20-Year Treasury Note	1.46%
30-Year Treasury Note	1.67%
Aaa Corporate Bonds	2.26%
Baa Corporate Bonds	3.17%

February 6, 2022- Federal Reserve

PwC and the Real Estate Research Corporation provide surveys which summarize expected rates of returns from a sample of national institutional investors.

These surveys are outlined below.

Investor Surveys - IRR			
Survey	Min.	Max	Average
PwC Apartment			
National Apartment - 4Q 2021	5.00%	10.00%	6.83%
RERC Apartment			
4Q 2021	5.50%	7.80%	6.40%

In selecting the IRR, consideration is given to the risk, liquidity, and asset management associated with income-producing investments. A 3.00% base rate was utilized, with a 150 basis point add on for liquidity, 150 basis point addition for asset management, and a 100 basis point addition for risk, summing to an equity dividend rate (IRR) of 7.00%.

Holding Period

A typical investor holding period ranges depending on individual investment mandates. Holding periods generally range from 3-5 years to over 15 years. For the development of the capitalization rate, we have selected a holding period of 10 years.

Change in Value/Appreciation

We do not anticipate any above market appreciation over the holding period.

The calculation of the capitalization rate is presented below.

OVERALL CAPITALIZATION RATE CALCULATION

Assumptions Underlying Capitalization Rate Development						
Loan to value ratio	75%					
Interest Rate	3.50%					
Term (years payout)	30					
Annual Constant	5.39%					
Equity Dividend Rate	7.00%					
Holding Period (Years)	10					
Appreciation over Term	0%					
Development of Capitalization Rate						
Mortgage Funds	75%	x	5.39%	=		4.04%
Equity Funds	25%	x	7.00%	=		1.75%
Weighted Rate						5.79%
Less Adjustment for Mortgage Amortization	0.2257	x	75%	x	0.0724	= 1.23%
Adjusted Rate						4.56%
Less Adjustment for Appreciation	0%	x	0.0724	=		0.00%
Capitalization Rate						4.56%
(rounded to)						4.50%
Capitalization Rate Conclusion						
Method	Min.		Max			Average
Comparable Sales	4.50%		5.71%			4.94%
PwC Apartment						
National Apartment - 4Q 2021	3.50%		8.00%			5.22%
RERC Apartment						
4Q 2021	4.50%		6.50%			5.40%
Market Participants	4.50%		5.50%			
Mortgage-Equity Technique						4.50%
Capitalization Rate Conclusion						4.50%

Capitalization Rate Conclusion- "As Is" Value

The Akerson method indicates an overall capitalization rate of 4.50%. The concluded rate is in low end of the comparable sales, investor surveys, and conversations with market participants. This rate will determine the stabilized year's projected net operating income into value.

In determining our "As Is" value, we have deducted the following renovation and lease up costs as follows.

We have been provided with a renovation budget from Wesbuilt (see Addenda) of \$5,000,000 (RD) that reflects a hard cost estimate for the renovation of the subject property. Further, soft costs are estimated at \$40 per square foot, or, 11.5% of hard costs, which is typical for a renovation of a relatively small existing shell building being converted to the typical, traditional use of ground floor retail with apartments above. In undertaking a building wide renovation, ownership would receive a developer's percentage of the entire project. We have deducted a standard 5% developers profit fee of the "As Renovated" property value as entrepreneurial/developers' profit. We have deducted two years of net operating income loss, as the property will not generate income during the two-year renovation period. Please note, the permit process will be six months and the construction time will be 18 months, for a total of two years. Lastly, to lease the subject apartments and grade level retail space, we have deducted a standard commission of 12.5% commission to lease the apartments, and a 25% commission to lease the grade level retail space.

Income Capitalization Approach	
NOI	\$835,478
Capitalization Rate	4.50%
Indicated Value "As Renovated"	\$18,566,180
Less \$347 PSF for Hard Costs	-\$4,996,800
Less \$40 PSF for Soft Costs	-\$576,000
Less 5% of "As Renovated" Value for Entrepreneurial/Developers Profit	-\$928,309
Two Years of NOI Loss	-\$1,670,956
Less 12.5% Commission to Lease Apartments	-\$89,250
Less 25% Commission to Lease Grade Level Retail Space	-\$112,500
Indicated Value "As Is"	\$10,192,365
Final Value Opinion (RD)	\$10,200,000

MARKET VALUE "AS IS" VIA THE INCOME CAPITALIZATION APPROACH
AS OF FEBRUARY 9, 2022
\$10,200,000

INCOME CAPITALIZATION APPROACH “VALUE IN USE”

The subject property is currently configured as follows:

Current Configuration:	SF
Ground Floor (Bar and Theatre)	4,500
2nd Floor (Museum/First Floor of Triplex Apt)	2,100
3rd Floor (Office Space/Second Floor of Triplex Apt)	2,100
4th Floor (Apartment/Third Floor of Triplex Apt)	2,100
5th Floor (Apartment/Storage Space)	2,100
Leasable Square Footage:	12,900
Gross Building Area:	14,400
Gross Leasable Area	90%

In this scenario, the subject property remains in its current configuration. We have applied market rents to the grade level retail, museum and office spaces, and apartments in determining the current “Value In Use” of the subject property. The current configuration consists of 3,575 square feet of theatre space, 925 square feet of bar space, 1,050 square feet of museum space, 1,050 square feet of office space, and 4,200 square feet of leasable apartment square footage. We are not attributing any income to the 1,050 square feet of fifth-floor storage space as it is not usable in its current state. We have applied \$100 per square foot to the subject’s bar space based on our concluded grade level retail market rent of \$100 per square foot as discussed on page 68 of the report. We have applied \$60 per square foot to the subject’s theatre space, which translates into \$1,078 per seat based on 199 seat capacity. The market price per theatre seat is typically \$1,000 per seat, and we have concluded to a slightly higher figure. We have applied \$40 per square foot to the museum space, and \$40 per square foot to the office space, based on our knowledge of cultural, entertainment, and office space. We have applied \$56 per square foot to the existing residential space based on projections provided by Lee and Associates in the offering memorandum found in the addenda of the report.

Leitner Berman Reconstructed Potential Gross and Effective Gross Income			
Income	Leasable SF	Applied Rent PSF	\$
Bar Income	925	\$100	\$92,500
Theatre Income	3,575	\$60	\$214,500
Museum Income	1,050	\$40	\$42,000
Office Income	1,050	\$40	\$42,000
Residential Income	5,250	\$56	\$294,000
Storage Space	1,050	\$0	\$0
Potential Gross Income	12,900		\$685,000
Less V/C Loss @ 5%			(\$34,250)
Effective Gross Income			\$650,750

We have been provided with the December 2021 appraisal by Ronald M. Gold, which includes the subject property's 2020 operating expenses (page 50/222 in Gold appraisal) as seen in the chart below.

December Gold Appraisal Operating Expenses	
Operating Expenses	\$
Insurance	\$7,050
Electricity and Gas	\$20,094
Water and Sewer	\$12,489
Repairs and Maintenance	\$43,304
Payroll	\$6,890
Supplies	\$2,041
Exterminating	\$3,651
Management	\$28,850
Total Operating Expenses (exc. RE Taxes)	\$124,369
Real Estate Taxes	\$157,000
Total Operating Expenses	\$281,369

The following is the 2022/2023 projected net operating income and value of the subject property.

Effective Gross Income	\$650,750
Total Operating Expenses	<u>(\$281,369)</u>
Net Operating Income	\$369,381
Capitalization Rate	5.00%
Indicated Value	\$7,387,620

The December 2021 appraisal by Ronald M. Gold includes capital improvements that were reported in 2020 (page 49/222 in Gold appraisal). We have deducted the reported capital improvements from our indicated value in determining our concluded "Value In Use".

Indicated Value	\$7,387,620
Less Reported Capital Improvements	<u>(\$231,566)</u>
"Value In Use"	\$7,156,054
Final Value Opinion (RD)	\$7,200,000

MARKET VALUE "VALUE IN USE" VIA THE INCOME CAPITALIZATION APPROACH
AS OF FEBRUARY 9, 2022
\$7,200,000

SALES COMPARISON APPROACH

The Sales Comparison Approach estimates market value for a property using recent sales data from other similar properties. This approach requires that there be an active market for similar properties. In addition, local market conditions, as well as national economic conditions, should be stable in order to reasonably support the valuation using comparable property sales.

The Sales Comparison Approach considers the selling prices of similar, recently sold properties. Sales prices are adjusted to reflect the time, conditions, and differences between the comparable properties and the subject property. The result of the adjustments is a subject value estimate.

Ideally, the comparable sales should be as close to the present time as possible and be nearly identical to the subject property. These conditions minimize the need for adjustments. In practice, there can be many factors that can cause price differences between two comparable properties, including:

- Ownership Interest
- Cash Equivalency
- Conditions of Sale
- Market Conditions
- Locational Characteristics
- Physical Characteristics
- Economic Characteristics
- Use
- Non-Realty Components of Value

The goal of the adjustment process is to make the comparable property look more like the subject property. The price is adjusted to account for valuation differences due to each of the factors from the previous section. Adjustments are made as a percent of overall value.

Unit of Comparison

To evaluate the comparable sales, it is generally necessary to convert the sales prices to an appropriate unit of comparison. This process facilitates price comparisons between properties of different sizes, and it also enables the appraiser to adjust for qualitative differences. For mixed-use apartment buildings such as the subject, the market recognizes price per square foot of building area above grade as a reasonable unit of analysis.

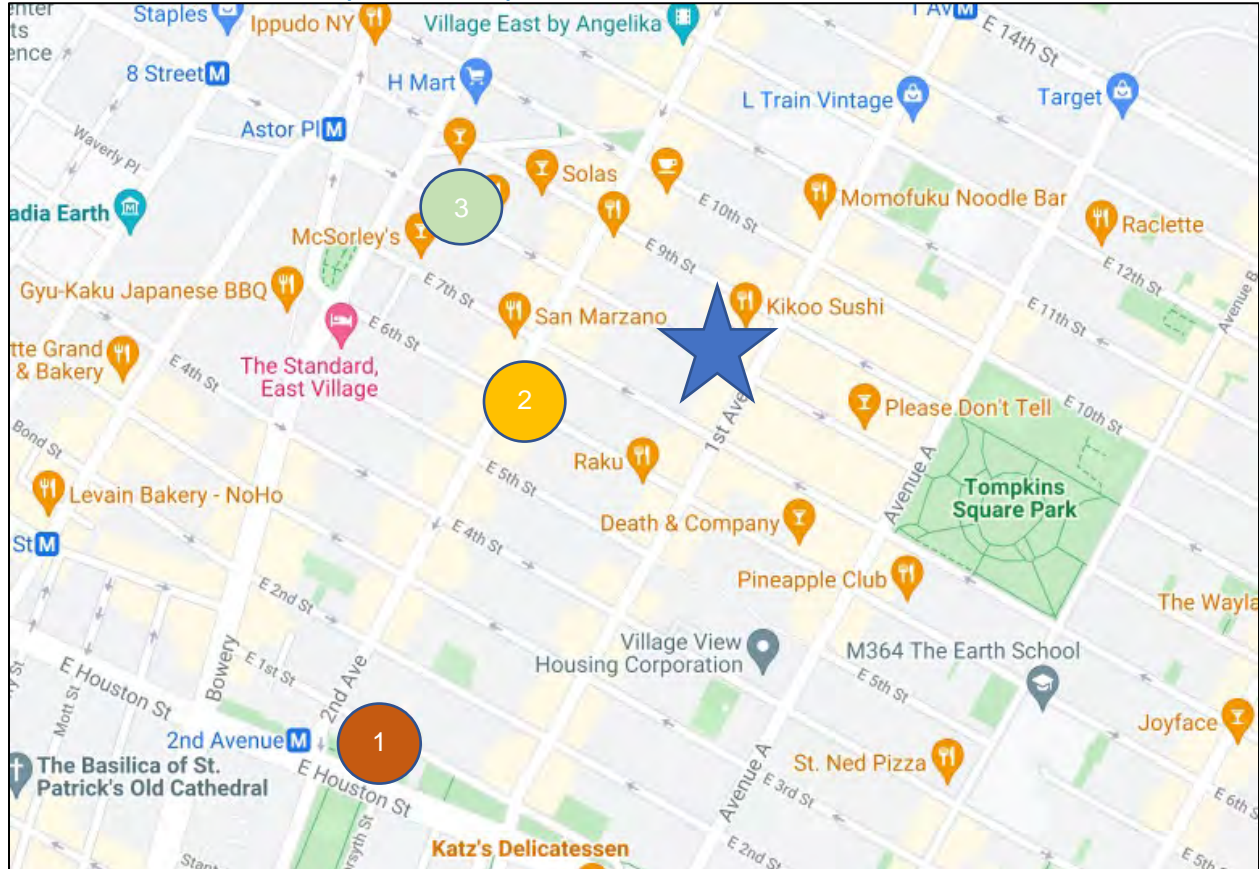
Comparable Sales

The comparable sales and respective adjustments are described on the following pages, along with a map of comparable sales and pictures of each comparable sale. The following comparable sales analyses include “As Is” Comparable Sales (Shell Sales), “As Renovated” Comparable Sales, and “Value In Use” Comparable Sales.

Sales Comparison Approach “As Is” (Shell Sales)

The following analysis consists of comparable Shell Sales in the East Village that sold in poor/fair condition, similar to the current condition of the subject property, and have subsequently been substantially renovated.

“AS IS” COMPARABLE SALES (SHELL SALES)



SALE 1: 43 EAST 1ST STREET, EAST VILLAGE



SALE NO:	1
Address:	43 East 1st Street, East Village
Block/Lot:	442/17
Site Size (SF):	1,901
Year Built:	1900
Gross Building Area:	6,905
Number of Units:	21
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the East Village neighborhood of Manhattan with 20 apartments and one grade level retail space. The building sold fully leased with 15 rent stabilized apartments.
Sale Date:	July 21, 2021
Recording Date:	July 29, 2021
Grantor:	1800 Second Avenue Corp.
Grantee:	2234 Realty Co. LLC
Sale Price:	\$4,660,000
Price Per SF:	\$675
NOI:	N/A
Cap Rate:	N/A
Document No:	2021000293522
Verification:	Costar/Acris

SALE 2: 100 SECOND AVENUE, EAST VILLAGE



SALE NO:	2
Address:	100 Second Avenue, East Village
Block/Lot:	447/7
Site Size (SF):	2,425
Year Built:	1847
Gross Building Area:	8,400
Number of Units:	8
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the East Village neighborhood of Manhattan with seven apartments and one grade level retail space. The building sold fully leased with one rent stabilized apartment.
Sale Date:	February 25, 2020
Recording Date:	March 12, 2020
Grantor:	Ahmed Abu Sufian
Grantee:	100 2nd Avenue Owner LLC
Sale Price:	\$6,100,000
Price Per SF:	\$726
NOI:	N/A
Cap Rate:	N/A
Document No:	2020000093464
Verification:	Costar/Acris

SALE 3:16 SAINT MARKS PLACE, EAST VILLAGE



SALE NO:	3
Address:	16 Saint Marks Place, East Village
Block/Lot:	463/17
Site Size (SF):	3,120
Year Built:	1900
Gross Building Area:	11,909
Number of Units:	20
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the East Village neighborhood of Manhattan with 18 apartments and two grade level retail space. The building sold fully leased with seven rent stabilized apartments.
Sale Date:	January 15, 2020
Recording Date:	January 31, 2020
Grantor:	16 Saint Marks Place LLC
Grantee:	Allied XXXII LLC
Sale Price:	\$8,475,000
Price Per SF:	\$712
NOI:	\$381,375
Cap Rate:	4.50%
Document No:	2020000040040
Verification:	Costar/Acris

“As Is” COMPARABLE SALES (SHELL SALES) SUMMARY

#	Address	Size (SF)	Units	Sale Date	Sale Price	Price PSF	Cap Rate
1	43 East 1st Street, East Village	6,905	21	Jul-21	\$4,660,000	\$675	N/A
2	100 Second Avenue, East Village	8,400	8	Feb-20	\$6,100,000	\$726	N/A
3	16 Saint Marks Place, East Village	11,909	20	Jan-20	\$8,475,000	\$712	4.50%
						Minimum	\$675
						Maximum	\$726
						Average	\$704

Analysis of “As Is” Comparable Sales (Shell Sales)

For mixed-use apartment building sales, adjustments are made on a percentage basis. Upward adjustments are made to a comparable sale price for considerations or conditions deemed to be inferior when compared to the subject property. Downward adjustments are made to a comparable sale price for considerations or conditions deemed to be superior when compared to the subject property.

CONSIDERATION	ADJUSTMENT DISCUSSION
Property Rights:	This adjustment accounts for any differences in the real property rights transferred. The subject property and comparable sales are similar mixed-use apartment buildings and no adjustments have been made.
Financing Terms:	This adjustment is made for any differences in the financing terms of the comparable sales in relation to the assumed cash financing of the appraised property. All sales were sold based on cash to the seller or cash equivalent financing. This is the same assumption made for the subject property and no adjustments have been made.
Conditions of Sale:	Conditions of sale adjustments are made when conditions, such as the buyer or seller motivations, result in a non-market sale price. The sales are all single, improved tax lots. As such, there were no special motivations concerning the comparable trades and no adjustments have been made.
Expenditures After Sale:	A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and the costs to remediate environmental contamination. The comparable sales did not report any expenditure after purchase warranting adjustments to their sales prices. Furthermore, none of the comparable sales were adjusted for any present worth of real estate tax savings from participation in exemption programs.

Market Conditions (Time):	The comparable sales occurred since January 15, 2020. No adjustments have been made.
Location:	Comparable sale 1 is in an inferior location within the East Village on East 1 st Street and has been adjusted upward 10%. Comparable sale 2 is in a superior location within the East Village on 2 nd Avenue and has been adjusted downward 5%. Comparable sale 3 is in a similar location to the subject property and has not been adjusted.
Size:	The subject building contains a total of 14,400 gross square feet above grade. The comparable sales are similar in size to the subject property and have not been adjusted.
Condition/Age:	The subject property was developed in 1850 +/- and is in fair-poor condition. The comparable sales sold as shell buildings and have not been adjusted.
Utility:	The subject property and comparable sales are walk-up mixed-use apartment buildings and have not been adjusted.
Market Rate vs. Rent Stabilized:	The subject property and comparable sales are shell buildings and have not been adjusted.

“As Is” COMPARABLE SALES (SHELL SALES) ADJUSTMENT GRID

Sale No.	1	2	3
Address:	43 East 1st Street, East Village	100 Second Avenue, East Village	16 Saint Marks Place, East Village
Sale Date:	7/21/2021	2/25/2020	1/15/2020
Building Size (SF):	6,905	8,400	11,909
Units:	21	8	20
Sale Price:	\$4,660,000	\$6,100,000	\$8,475,000
Sale Price/ SF:	\$675	\$726	\$712
Property Rights:	0%	0%	0%
Financing Terms:	0%	0%	0%
Conditions of Sale:	0%	0%	0%
Expenditures After Sale:	0%	0%	0%
Market Conditions (Time):	0%	0%	0%
Subtotal:	\$675	\$726	\$712
Location:	10%	-5%	0%
Size:	0%	0%	0%
Condition/Age:	0%	0%	0%
Utility:	0%	0%	0%
Market Rate vs. Rent Stabilized:	0%	0%	0%
Total Other Adjustments	10%	-5%	0%
Value Indication for Comparable	\$742	\$690	\$712
	Unadjusted		Adjusted
LOW	\$675	LOW	\$690
HIGH	\$726	HIGH	\$742
AVERAGE	\$704	AVERAGE	\$715
MEDIAN	\$712	MEDIAN	\$712

Prior to adjusting the comparable sales, they ranged from a sale price of \$675 to \$726 per square foot, with an average of \$704 per square foot, and a median of \$712 per square foot.

After applying the above adjustments, the comparable sales ranged from a sale price of \$690 to \$742 per square foot, with an average of \$715 per square foot, and a median of \$712 per square foot.

We have concluded at \$710 per square foot.

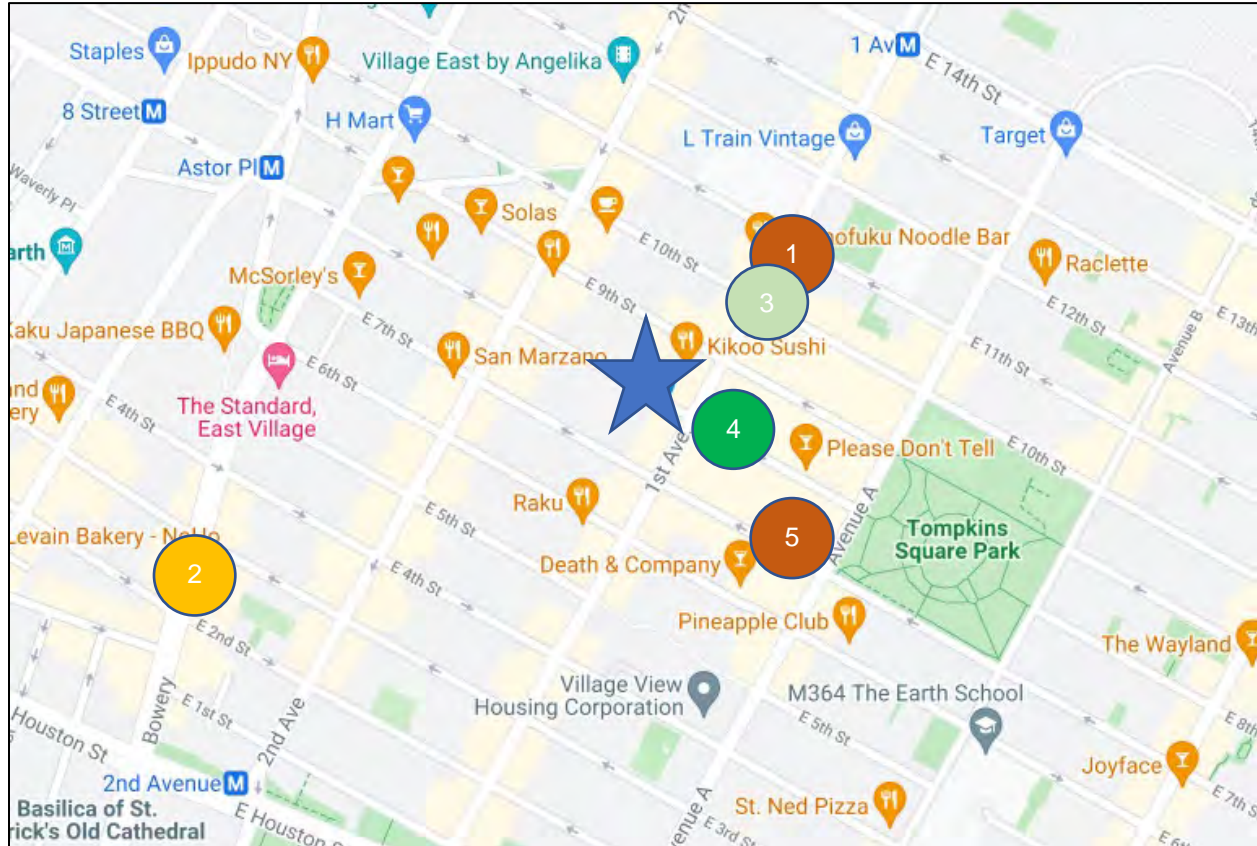
Sales Comparison Approach	
Concluded Value Per SF	\$710
Gross SF	14,400
Indicated Value "As Is" (Shell Building)	\$10,224,000
Final Value Opinion (RD)	\$10,200,000

MARKET VALUE “As Is” (SHELL SALES) VIA THE SALES COMPARISON APPROACH
AS OF FEBRUARY 9, 2022
\$10,200,000

Sales Comparison Approach “As Renovated”

The following analysis consists of traditional mixed-use apartment buildings with grade level retail and apartments above in the East Village that sold in conformance with their highest and best uses. The subject property “As Renovated”, will be in excellent condition and in conformance with its highest and best use as a mixed-use apartment building with grade level retail and apartments above. The comparable sales that follow are in similar condition, similar location, with similar highest and best uses.

“AS RENOVATED” COMPARABLE SALES MAP



SALE 1:166 FIRST AVENUE, EAST VILLAGE



Sale No.	1
Address:	166 First Avenue, East Village
Block/Lot:	438/2
Site Size (SF):	2,225
Year Built:	1930
Gross Building Area:	6,697
Number of Units:	5
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the East Village neighborhood of Manhattan with four apartments and one grade level retail space. The building sold fully leased with market rate apartments.
Sale Date:	January 13, 2022
Recording Date:	February 1, 2022
Grantor:	166 First Avenue Realty Corp.
Grantee:	166 First Avenue Owner LLC
Sale Price:	\$7,000,000
Price Per SF:	\$1,045
NOI:	N/A
Cap Rate:	N/A
Document No:	2022000048713
Verification:	Costar/Acris

SALE 2: 325 BOWERY, EAST VILLAGE



Sale No.	2
Address:	325 Bowery, East Village
Block/Lot:	458/1
Site Size (SF):	1,770
Year Built:	1900 and renovated in 2011
Gross Building Area:	8,850
Number of Units:	3
Description/Comments:	This is the sale of a four-story, walk-up apartment building in the East Village neighborhood of Manhattan with two apartments and one grade level retail space. The building sold fully leased with market rate apartments.
Sale Date:	December 27, 2021
Recording Date:	January 7, 2022
Grantor:	Atlas Bowery LLC
Grantee:	Ramone Realty Nominee LLC
Sale Price:	\$11,500,000
Price Per SF:	\$1,299
NOI:	N/A
Cap Rate:	N/A
Document No:	2022000011020
Verification:	Costar/Acris

SALE 3: 164 FIRST AVENUE, EAST VILLAGE



SALE NO:	3
Address:	164 First Avenue, East Village
Block/Lot:	438/1
Site Size (SF):	2,256
Year Built:	1900
Gross Building Area:	9,577
Number of Units:	9
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the East Village neighborhood of Manhattan with six apartments and three grade level retail spaces. The building sold fully leased with market rate apartments.
Sale Date:	October 1, 2021
Recording Date:	October 15, 2021
Grantor:	Casabel LLC
Grantee:	164 First Avenue Owner LLC
Sale Price:	\$10,400,000
Price Per SF:	\$1,086
NOI:	N/A
Cap Rate:	N/A
Document No:	2021000407179
Verification:	Costar/Acris

SALE 4: 94 SAINT MARKS PLACE, EAST VILLAGE



SALE NO:	4
Address:	94 Saint Marks Place, East Village
Block/Lot:	435/11
Site Size (SF):	1,829
Year Built:	1900
Gross Building Area:	7,020
Number of Units:	13
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the East Village neighborhood of Manhattan with 10 apartments and three grade level retail spaces. The building sold fully leased with market rate apartments.
Sale Date:	August 21, 2020
Recording Date:	October 2, 2020
Grantor:	94 ST Marks LLC
Grantee:	CRG094STMarks LLC
Sale Price:	\$8,500,000
Price Per SF:	\$1,211
NOI:	N/A
Cap Rate:	N/A
Document No:	2020000269622
Verification:	Costar/Acris

SALE 5: 109 AVENUE A, EAST VILLAGE



SALE NO:	5
Address:	109 Avenue A, East Village
Block/Lot:	434/29
Site Size (SF):	2,292
Year Built:	1908 and renovated in 2012
Gross Building Area:	16,581
Number of Units:	10
Description/Comments:	This is the sale of a seven-story, elevated apartment building in the East Village neighborhood of Manhattan with five apartments, two grade level retail spaces, and one second floor office space. The building sold fully leased with market rate apartments.
Sale Date:	February 28, 2020
Recording Date:	March 4, 2020
Grantor:	Park Corner Development, LLC
Grantee:	Tompkins Square Acquisition LLC
Sale Price:	\$20,750,000
Price Per SF:	\$1,251
NOI:	\$939,975
Cap Rate:	4.53%
Document No:	2020000083782
Verification:	Costar/Acris

“AS RENOVATED” COMPARABLE SALES SUMMARY

#	Address	Size (SF)	Units	Sale Date	Sale Price	Price PSF	Cap Rate
1	166 First Avenue, East Village	6,697	5	Jan-22	\$7,000,000	\$1,045	N/A
2	325 Bowery, East Village	8,850	3	Dec-21	\$11,500,000	\$1,299	N/A
3	164 First Avenue, East Village	9,577	9	Oct-21	\$10,400,000	\$1,086	N/A
4	94 Saint Marks Place, East Village	7,020	13	Aug-20	\$8,500,000	\$1,211	N/A
5	109 Avenue A, East Village	16,581	10	Feb-20	\$20,750,000	\$1,251	4.53%
						Minimum	\$1,045
						Maximum	\$1,299
						Average	\$1,179

Analysis of “As Renovated” Comparable Sales

For mixed-use apartment building sales, adjustments are made on a percentage basis. Upward adjustments are made to a comparable sale price for considerations or conditions deemed to be inferior when compared to the subject property. Downward adjustments are made to a comparable sale price for considerations or conditions deemed to be superior when compared to the subject property.

CONSIDERATION	ADJUSTMENT DISCUSSION
Property Rights:	This adjustment accounts for any differences in the real property rights transferred. The subject property and comparable sales are similar mixed-use apartment buildings and no adjustments have been made.
Financing Terms:	This adjustment is made for any differences in the financing terms of the comparable sales in relation to the assumed cash financing of the appraised property. All sales were sold based on cash to the seller or cash equivalent financing. This is the same assumption made for the subject property and no adjustments have been made.
Conditions of Sale:	Conditions of sale adjustments are made when conditions, such as the buyer or seller motivations, result in a non-market sale price. The sales are all single, improved tax lots. As such, there were no special motivations concerning the comparable trades and no adjustments have been made.
Expenditures After Sale:	A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and the costs to remediate environmental contamination. The comparable sales did not report any expenditure after purchase warranting adjustments to their sales prices. Furthermore, none of the comparable sales were

adjusted for any present worth of real estate tax savings from participation in exemption programs.

Market Conditions (Time):

The comparable sales occurred since February 28, 2020. No adjustments have been made.

Location:

Comparable sales 1, 3, 4, and 5 are in similar locations to the subject property and have not been adjusted. Comparable sale 2 is in a superior location within the East Village on Bowery and has been adjusted downward 10%.

Size:

The subject building contains a total of 14,400 gross square feet above grade. The comparable sales are similar in size to the subject property and have not been adjusted.

Condition/Age:

The subject property was developed in 1850 +/- and is in fair-poor condition. Following the renovation of the subject property, the property will be in excellent condition. Comparable sales 1 and 3 are in inferior condition and has been adjusted upward 15%. Comparable sales 2 and 4 are in very good condition and have been adjusted upward 10%. Comparable sale 5 is in excellent condition and has been adjusted upward 5%.

Utility:

The subject property and comparable sales 1-4 are walk-up mixed-use apartment buildings and have not been adjusted. Comparable sale 5 is an elevatored mixed-use apartment building and has been adjusted downward 10%.

Market Rate vs. Rent Stabilized:

The subject property and comparable sales contain market rate apartments and have not been adjusted.

“AS RENOVATED” COMPARABLE SALES ADJUSTMENT GRID

Sale No.	1	2	3	4	5
Address:	166 First Avenue, East Village	325 Bowery, East Village	164 First Avenue, East Village	94 Saint Marks Place, East Village	109 Avenue A, East Village
Sale Date:	1/13/2022	12/27/2021	10/1/2021	8/21/2020	2/28/2020
Building Size (SF):	6,697	8,850	9,577	7,020	16,581
Units:	5	3	9	13	10
Sale Price:	\$7,000,000	\$11,500,000	\$10,400,000	\$8,500,000	\$20,750,000
Sale Price/ SF:	\$1,045	\$1,299	\$1,086	\$1,211	\$1,251
Property Rights:	0%	0%	0%	0%	0%
Financing Terms:	0%	0%	0%	0%	0%
Conditions of Sale:	0%	0%	0%	0%	0%
Expenditures After Sale:	0%	0%	0%	0%	0%
Market Conditions (Time):	0%	0%	0%	0%	0%
Subtotal:	\$1,045	\$1,299	\$1,086	\$1,211	\$1,251
Location:	0%	-10%	0%	0%	0%
Size:	0%	0%	0%	0%	0%
Condition/Age:	15%	10%	15%	10%	5%
Utility:	0%	0%	0%	0%	-10%
Market Rate vs. Rent Stabilized:	0%	0%	0%	0%	0%
Total Other Adjustments	15%	0%	15%	10%	-5%
Value Indication for Comparable	\$1,202	\$1,299	\$1,249	\$1,332	\$1,189
	Unadjusted				Adjusted
LOW	\$1,045			LOW	\$1,189
HIGH	\$1,299			HIGH	\$1,332
AVERAGE	\$1,179			AVERAGE	\$1,267
MEDIAN	\$1,211			MEDIAN	\$1,274

Prior to adjusting the comparable sales, they ranged from a sale price of \$1,045 to \$1,299 per square foot, with an average of \$1,179 per square foot, and a median of \$1,211 per square foot.

After applying the above adjustments, the comparable sales ranged from a sale price of \$1,189 to \$1,332 per square foot, with an average of \$1,267 per square foot, and a median of \$1,274 per square foot.

We have concluded at \$1,275 per square foot.

Sales Comparison Approach	
Concluded Value Per SF	\$1,275
Gross SF	14,400
Indicated Value "As Renovated"	\$18,360,000
Less \$347 PSF for Hard Costs	-\$4,996,800
Less \$40 PSF for Soft Costs	-\$576,000
Less 5% of "As Renovated" Value for Entrepreneurial/Developers Profit	-\$918,000
Two Years of NOI Loss	-\$1,670,956
Less 12.5% Commission to Lease Apartments	-\$89,250
Less 25% Commission to Lease Grade Level Retail Space	-\$112,500
Indicated Value "As Is"	\$9,996,494
Final Value Opinion (RD)	\$10,000,000

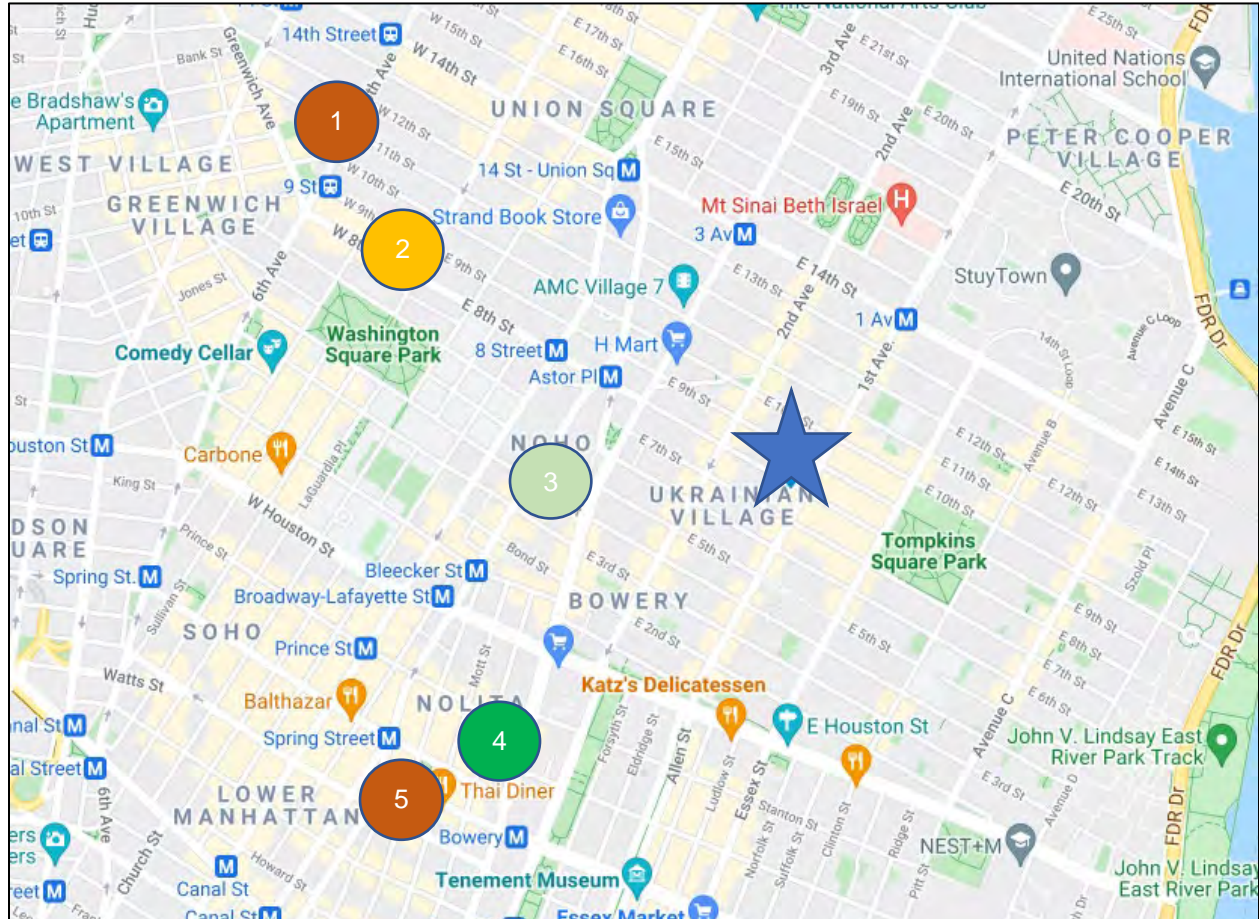
**MARKET VALUE "AS RENOVATED" VIA THE SALES COMPARISON APPROACH
AS OF FEBRUARY 9, 2024
\$10,000,000**

The above \$10,000,000 conclusion serves as a check and confirmation of the "As Is" (Shell Sales) Sales Comparison Approach which resulted in a \$10,200,000 conclusion. The "As Is" (Shell Sales) Sales Comparison Approach is less speculative and more reliable than the discounted "As Renovated" Sales Comparison Approach. Since the discounted "As Renovated" Sales Comparison Approach is within 2% of the "As Is" (Shell Sales) Sales Comparison Approach, we will conclude at an "As Is" market value via the Sales Comparison Approach of \$10,200,000.

Sales Comparison Approach “Value In Use”

The following analysis consists of the comparable sales included in the December 2021 Ronald M. Gold appraisal (pages 59-74 of the Gold report). The order of the comparable sales in the map below and our analysis reflects the order of the comparable sales in the Gold report. These sales will be adjusted to the subject’s current use and condition.

“VALUE IN USE” COMPARABLE SALES MAP



SALE 1: 445 AVENUE OF THE AMERICAS AND 101-109 WEST 10TH STREET, GREENWICH VILLAGE



SALE NO:	1
Address:	445 Avenue of the Americas and 101-109 West 10th Street, Greenwich Village
Block/Lot:	606/71, 73, 74, 75, 77
Site Size (SF):	
Year Built:	1836-1910 and renovated in 2009
Gross Building Area:	12,037
Number of Units:	25
Description/Comments:	This is the sale of five adjacent three-story, walk-up apartment buildings in the Greenwich Village neighborhood of Manhattan with 17 apartments and eight grade level retail spaces. The buildings sold fully leased with market rate apartments.
Sale Date:	September 23, 2021
Recording Date:	October 7, 2021
Grantor:	Solon Holding Corporation
Grantee:	Eser Associates LLC
Sale Price:	\$12,475,000
Price Per SF:	\$1,036
NOI:	N/A
Cap Rate:	N/A
Document No:	2021000395649
Verification:	Costar/Acris

SALE 2: 10 5TH AVENUE, GREENWICH VILLAGE



SALE NO:	2
Address:	10 5th Avenue, Greenwich Village
Block/Lot:	572/44
Site Size (SF):	2,850
Year Built:	1849
Gross Building Area:	12,648
Number of Units:	17
Description/Comments:	This is the sale of a five-story, elevatored apartment building in the Greenwich Village neighborhood of Manhattan with 14 apartments and three grade level retail spaces. The buildings sold fully leased with four rent stabilized apartments.
Sale Date:	December 13, 2021
Recording Date:	December 23, 2021
Grantor:	Benchmark 10 L.P.
Grantee:	Reda 10 Fifth LLC
Sale Price:	\$15,000,000
Price Per SF:	\$1,186
NOI:	N/A
Cap Rate:	N/A
Document No:	2021000505356
Verification:	Costar/Acris

SALE 3: 34-36 EAST 4TH STREET, NOHO



SALE NO:	3
Address:	34-36 East 4th Street, Noho
Block/Lot:	531/30, 31
Site Size (SF):	4,810
Year Built:	1889
Gross Building Area:	19,240
Number of Units:	37
Description/Comments:	This is the sale of two adjacent five-story, walk-up apartment buildings in the Noho neighborhood of Manhattan with 34 apartments and three grade level retail spaces. The buildings sold fully leased with 13 rent stabilized apartments.
Sale Date:	October 5, 2021
Recording Date:	October 15, 2021
Grantor:	East Fourth Corp.
Grantee:	34-36 East 4th Street Realty LLC
Sale Price:	\$16,500,000
Price Per SF:	\$858
NOI:	839850
Cap Rate:	5.09%
Document No:	2021000405892
Verification:	Costar/Acris

SALE 4: 9 SPRING STREET, SOHO



SALE NO:	4
Address:	9 Spring Street, Soho
Block/Lot:	492/43
Site Size (SF):	2,422
Year Built:	1900
Gross Building Area:	13,403
Number of Units:	28
Description/Comments:	This is the sale of a seven-story, walk-up apartment building in the Soho neighborhood of Manhattan with 26 apartments and two grade level retail spaces. The building sold fully leased with eight rent stabilized apartments.
Sale Date:	November 10, 2021
Recording Date:	December 2, 2021
Grantor:	Bedford KC, LLC
Grantee:	OR 9 Spring, LLC
Sale Price:	\$11,250,000
Price Per SF:	\$839
NOI:	N/A
Cap Rate:	N/A
Document No:	2021000475326
Verification:	Costar/Acris

SALE 5: 377 BROOME STREET, SOHO



SALE NO:	5
Address:	377 Broome Street, Soho
Block/Lot:	471/40
Site Size (SF):	2,920
Year Built:	1900
Gross Building Area:	9,635
Number of Units:	19
Description/Comments:	This is the sale of a five-story, walk-up apartment building in the Soho neighborhood of Manhattan with 17 apartments and two grade level retail spaces. The building sold fully leased with four rent stabilized apartments.
Sale Date:	August 20, 2021
Recording Date:	September 9, 2021
Grantor:	377 Broome Street Corp
Grantee:	OR 377 Broome LLC
Sale Price:	\$8,200,000
Price Per SF:	\$851
NOI:	N/A
Cap Rate:	N/A
Document No:	2021000357792
Verification:	Costar/Acris

“VALUE IN USE” COMPARABLE SALES SUMMARY

#	Address	Size (SF)	Units	Sale Date	Sale Price	Price PSF	Cap Rate
1	445 Avenue of the Americas and 101-109 West 10th Street, Greenwich Village	12,037	25	Sep-21	\$12,475,000	\$1,036	N/A
2	10 5th Avenue, Greenwich Village	12,648	17	Dec-21	\$15,000,000	\$1,186	N/A
3	34-36 East 4th Street, Noho	19,240	37	Oct-21	\$16,500,000	\$858	5.09%
4	9 Spring Street, Soho	13,403	28	Nov-21	\$11,250,000	\$839	N/A
5	377 Broome Street, Soho	9,635	19	Aug-21	\$8,200,000	\$851	N/A
						Minimum	\$839
						Maximum	\$1,186
						Average	\$954

Analysis of “Value In Use” Comparable Sales

For mixed-use apartment buildings sales, adjustments are made on a percentage basis. Upward adjustments are made to a comparable sale price for considerations or conditions deemed to be inferior when compared to the subject property. Downward adjustments are made to a comparable sale price for considerations or conditions deemed to be superior when compared to the subject property.

CONSIDERATION	ADJUSTMENT DISCUSSION
Property Rights:	This adjustment accounts for any differences in the real property rights transferred. The subject property and comparable sales are similar mixed-use apartment buildings and no adjustments have been made.
Financing Terms:	This adjustment is made for any differences in the financing terms of the comparable sales in relation to the assumed cash financing of the appraised property. All sales were sold based on cash to the seller or cash equivalent financing. This is the same assumption made for the subject property and no adjustments have been made.
Conditions of Sale:	Conditions of sale adjustments are made when conditions, such as the buyer or seller motivations, result in a non-market sale price. The sales are all single, improved tax lots. As such, there were no special motivations concerning the comparable trades and no adjustments have been made.
Expenditures After Sale:	A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and the costs to remediate environmental contamination. The comparable sales did not report any expenditure after purchase warranting adjustments to their

sales prices. Furthermore, none of the comparable sales were adjusted for any present worth of real estate tax savings from participation in exemption programs.

Market Conditions (Time):

The comparable sales occurred since August 20, 2021. No adjustments have been made.

Location:

The subject property is within the East Village neighborhood of Manhattan. Per a Costar analytic search of multifamily apartment buildings in the East Village, Greenwich Village, and Soho markets, the average sale price per unit is found in the chart below.

Costar Q4 2021 Multifamily Sale Prices/Unit	
East Village:	\$633,542
Greenwich Village:	\$969,151
Soho:	\$903,021

The abovementioned data indicates the necessity of location adjustments for the comparable sales.

Comparable sales 1 and 2 (Greenwich Village) have been adjusted downward 25% to account for superior location and sales premiums in contrast to the East Village.

Comparable sale 3 is often considered part of Soho for rental/sale metrics. Comparable sales 3-5 (Noho/Soho) have been adjusted downward 15% to account for superior location and sales premiums in contrast to the East Village.

Size:

The subject building contains a total of 14,400 gross square feet above grade. The comparable sales are similar in size to the subject property and have not been adjusted.

Condition/Age:

The subject property was developed in 1850 +/- and is in fair-poor condition. There are items of deferred maintenance that indicate the property is beyond its physical and economic life. Comparable sales 1 and 5 are in above average to good condition and have been adjusted downward 10%. Comparable sales 2-4 are in good condition and have been adjusted downward 15%.

Utility:

The subject property and comparable sales 1, 3, 4, and 5 are walk-up mixed-use apartment buildings and have not been adjusted. Comparable sale 2 is an elevator mixed-use apartment building and has been adjusted downward 10%.

Property Configuration:

The subject property contains two grade level/slightly below grade level retail spaces that are currently outfitted as a bar and a theatre space (slightly below grade). Additionally, the subject property contains a second-floor museum space, a third-floor office space, and a fifth-floor storage space. The current layout/configuration of the subject property is atypical and requires building wide renovations to reconfigure the property into a typical mixed-use apartment building with grade level retail and apartments above. The comparable sales contain typical grade level retail spaces and apartments above. The comparable sales have been adjusted downward 20% to account for superior property configuration as typical mixed-use apartment buildings with grade level retail and apartments above.

Market Rate vs. Rent Stabilized:

The subject property and comparable sale 5 contain market rate apartments and the sale has not been adjusted. Comparable sales 1-4 contain a mix of market rate and rent stabilized apartments and have been adjusted upward 10%.

“VALUE IN USE” COMPARABLE SALES ADJUSTMENT GRID

Sale No.	1	2	3	4	5
Address:	445 Avenue of the Americas and 101-109 West 10th Street, Greenwich Village	10 5th Avenue, Greenwich Village	34-36 East 4th Street, Noho	9 Spring Street, Soho	377 Broome Street, Soho
Sale Date:	9/23/2021	12/13/2021	10/5/2021	11/10/2021	8/20/2021
Building Size (SF):	12,037	12,648	19,240	13,403	9,635
Units:	25	17	37	28	19
Sale Price:	\$12,475,000	\$15,000,000	\$16,500,000	\$11,250,000	\$8,200,000
Sale Price/ SF:	\$1,036	\$1,186	\$858	\$839	\$851
Property Rights:	0%	0%	0%	0%	0%
Financing Terms:	0%	0%	0%	0%	0%
Conditions of Sale:	0%	0%	0%	0%	0%
Expenditures After Sale:	0%	0%	0%	0%	0%
Market Conditions (Time):	0%	0%	0%	0%	0%
Subtotal:	\$1,036	\$1,186	\$858	\$839	\$851
Location:	-25%	-25%	-15%	-15%	-15%
Size:	0%	0%	0%	0%	0%
Condition/Age:	-10%	-15%	-15%	-15%	-10%
Utility:	0%	-10%	0%	0%	0%
Property Configuration:	-20%	-20%	-20%	-20%	-20%
Market Rate vs. Rent Stabilized:	10%	10%	10%	10%	0%
Total Other Adjustments	-45%	-60%	-40%	-40%	-45%
Value Indication for Comparable:	\$570	\$474	\$515	\$504	\$468
	Unadjusted				Adjusted
LOW	\$839			LOW	\$468
HIGH	\$1,186			HIGH	\$570
AVERAGE	\$954			AVERAGE	\$506
MEDIAN	\$858			MEDIAN	\$504

Prior to adjusting the comparable sales, they ranged from a sale price of \$839 to \$1,186 per square foot, with an average of \$954 per square foot, and a median of \$858 per square foot.

After applying the above adjustments, the comparable sales ranged from a sale price of \$468 to \$570 per square foot, with an average of \$506 per square foot, and a median of \$504 per square foot.

We have concluded at \$500 per square foot.

Sales Comparison Approach	
Concluded Value Per SF	\$500
Gross SF	14,400
Indicated "Value In Use"	\$7,200,000
Final Value Opinion (RD)	\$7,200,000

MARKET VALUE “VALUE IN USE” VIA THE SALES COMPARISON APPROACH
AS OF FEBRUARY 9, 2022
\$7,200,000

RECONCILIATION OF VALUES

SUMMARY OF VALUE CONCLUSIONS		
Methodology	Date of Value	Value Conclusion
Income Capitalization Approach "As Is"	February 9, 2022	\$10,200,000
Income Capitalization Approach "Value In Use"	February 9, 2022	\$7,200,000
Sales Comparison Approach "As Is"	February 9, 2022	\$10,200,000
Sales Comparison Approach "Value In Use"	February 9, 2022	\$7,200,000
Cost Approach	February 9, 2022	N/A

The **Cost Approach** typically is a reliable value indication when there is strong support for the replacement cost estimate and when there is minimal depreciation, typically for proposed developments or newly constructed properties. The Cost Approach has not been used as it is not considered by investors in the subject's market to provide a reliable indicator of value for older properties.

The **Income Capitalization Approach** is typically applicable when a property is income producing and is valued based on its income generating capabilities. The Income Capitalization Approach has been utilized as typically, mixed-use apartment buildings are income-producing and are traded for their income-producing capabilities.

The **Sales Comparison Approach** compared the subject property to similar properties that have been sold recently. The sales used in this analysis are deemed to be comparable to the subject and are then further adjusted based on reasonable and well-supported rationale.

Mixed-use apartment buildings in this submarket are typically valued based on their income stream. The subject property lends itself to a leased property. Therefore, we are placing primary emphasis on the Income Approach.

Based on the foregoing, the market value of the subject property has been concluded as:

Appraisal Premise	Date of Value	Value Conclusion
"As Is" Market Value	February 9, 2022	\$10,200,000

ADDENDA

- [Subject Photographs](#)
- [Lee and Associates Offering Memorandum](#)
- [Wesbuilt ROM Proposal](#)
- [Limiting Conditions](#)
- [Certification](#)
- [Qualifications](#)
- [Appraiser's License](#)

Subject Photographs

SUBJECT PROPERTY EXTERIOR VIEW (NOTE CHIPPED PAINT)



SUBJECT PROPERTY EXTERIOR VIEW (NOTE CHIPPED PAINT)



SUBJECT PROPERTY EXTERIOR VIEW (NOTE CHIPPED PAINT)



SUBJECT PROPERTY EXTERIOR VIEW (NOTE CHIPPED PAINT)



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SUBJECT PROPERTY EXTERIOR VIEW (NOTE CHIPPED PAINT)



SUBJECT PROPERTY EXTERIOR VIEW (NOTE CHIPPED PAINT)



STREET VIEW



STREET VIEW



BAR AREA



EXIT OF BAR AREA



BAR AREA



THEATRE AREA



THEATRE AREA



THEATRE EXIT



BASEMENT



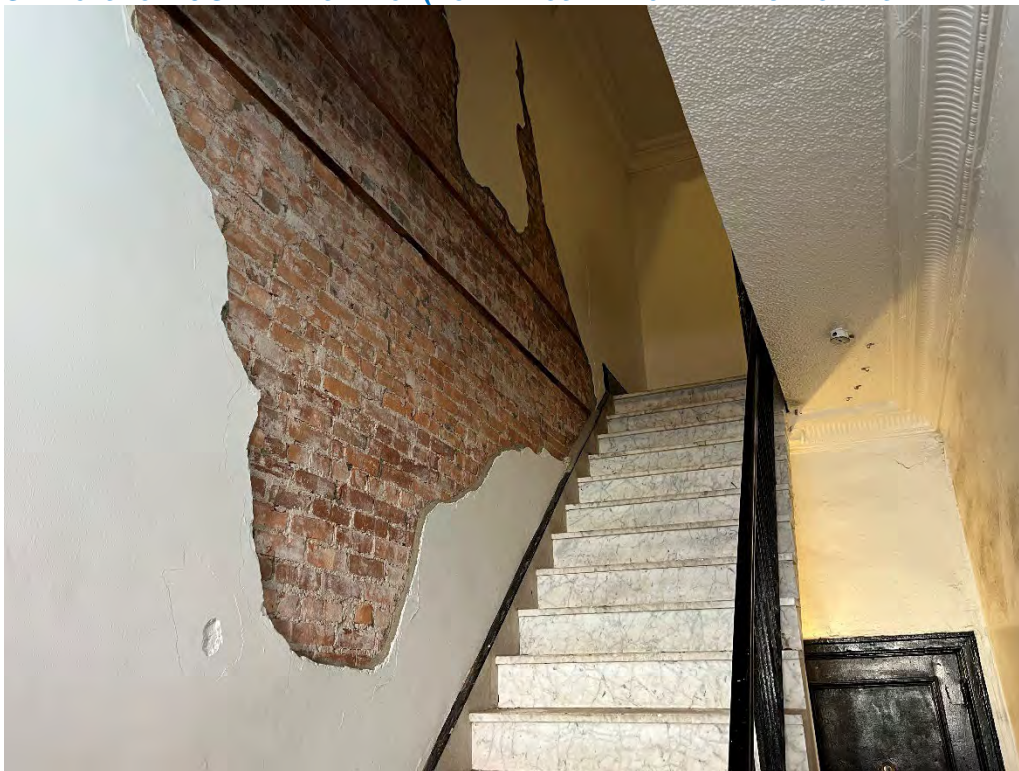
LOBBY OF 78 ST. MARKS PLACE (NOTE CHIPPED DOOR FRAME)



STAIRCASE OF 78 ST. MARKS PLACE (NOTE EXPOSED BRICK WALL DUE TO PLASTER PEELING)



STAIRCASE OF 78 ST. MARKS PLACE (NOTE EXPOSED BRICK WALL DUE TO PLASTER PEELING)



LOBBY OF 78 ST. MARKS PLACE (NOTE CEILING WATER DAMAGE)



MUSEUM SPACE WITHIN 78 ST. MARKS PLACE



MUSEUM SPACE WITHIN 78 ST. MARKS PLACE (NOTE WATER DAMAGE ON WALLS)



HALLWAY WITHIN 78 ST. MARKS PLACE (NOTE EXPOSED BRICK WALL DUE TO PLASTER PEELING)



ENTRANCEWAY INTO "OFFICE SPACE" WITHIN 78 ST. MARKS PLACE (NOTE DIRTY WALLS/FLOORS/WINDOW COVERINGS)



DOOR INTO "OFFICE SPACE" WITHIN 78 ST. MARKS PLACE (NOTE DIRTY WALLS/FLOORS/WINDOW COVERINGS)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTESLOPED CEILING/DIRTY WALLS/CEILING)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTESLOPED CEILING/DIRTY WALLS/CEILING)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE SLOPED CEILING/DIRTY WALLS/CEILING)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE SLOPED CEILING/DIRTY WALLS/CEILING)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE SLOPED CEILING)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE OUTDATED KITCHEN, WATER DAMAGE NEAR WINDOWS, AND SAFETY ISSUES WITH PLUG LOCATIONS)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE OUTDATED KITCHEN, WATER DAMAGE NEAR WINDOWS, AND SAFETY ISSUES WITH PLUG LOCATIONS)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE OUTDATED KITCHEN, WATER DAMAGE NEAR WINDOWS, AND SAFETY ISSUES WITH PLUG LOCATIONS)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE OUTDATED KITCHEN, WATER DAMAGE NEAR WINDOWS, AND SAFETY ISSUES WITH PLUG LOCATIONS)



“OFFICE SPACE” WITHIN 78 ST. MARKS PLACE (NOTE SLOPED CEILING/DIRTY WALLS/CEILING)



SKYLIGHT WITHIN 78 ST. MARKS PLACE APARTMENT (NOTE DEFERRED MAINTENANCE/SLOPED CEILING, DAMAGED WINDOW)



LIVING ROOM/SKYLIGHT WITHIN 78 ST. MARKS PLACE APARTMENT (NOTE DEFERRED MAINTENANCE/SLOPED CEILING, DAMAGED WINDOW)



BATHROOM WITHIN 78 ST. MARKS PLACE APARTMENT (NOTE OUTDATED BATHROOM)



BATHROOM WITHIN 78 ST. MARKS PLACE APARTMENT (NOTE OUTDATED BATHROOM)



KITCHEN WITHIN 78 ST. MARKS PLACE APARTMENT (NOTE OUTDATED KITCHEN APPLIANCES)



KITCHEN WITHIN 78 ST. MARKS PLACE APARTMENT (NOTE OUTDATED KITCHEN APPLIANCES)



78 ST. MARKS PLACE ROOF



80 ST. MARKS PLACE ROOF



A photograph of a balcony with a black awning, a metal railing, and a view of a city street. A small table and chairs are on the balcony, and a large white object is visible in the foreground.

FRONT TERRACE WITHIN TRIPLEX APARTMENT (NOTE CHIPPED PAINT)



DINING ROOM WITHIN TRIPLEX APARTMENT



LIVING ROOM WITHIN TRIPLEX APARTMENT



LIVING ROOM WITHIN TRIPLEX APARTMENT



KITCHEN WITHIN TRIPLEX APARTMENT (NOTE OUTDATED APPLIANCES)



KITCHEN WITHIN TRIPLEX APARTMENT (NOTE OUTDATED APPLIANCES)



ADDITIONAL DINING AREA WITHIN TRIPLEX APARTMENT



BATHROOM WITHIN TRIPLEX APARTMENT (NOTE OUTDATED BATHROOM)



BATHROOM WITHIN TRIPLEX APARTMENT (NOTE OUTDATED BATHROOM)



BEDROOM WITHIN TRIPLEX APARTMENT



BEDROOM WITHIN TRIPLEX APARTMENT (NOTE CEILING WATER DAMAGE)



COMMON SPACE WITHIN TRIPLEX APARTMENT



KITCHEN WITHIN TRIPLEX APARTMENT (NOTE OUTDATED KITCHEN)



KITCHEN WITHIN TRIPLEX APARTMENT (NOTE OUTDATED KITCHEN)



BEDROOM WITHIN TRIPLEX APARTMENT



COMMON SPACE WITHIN TRIPLEX APARTMENT



HALLWAY LEADING UP TO 5TH FLOOR STORAGE SPACE BLOCKED OFF



HALLWAY LEADING UP TO 5TH FLOOR STORAGE SPACE BLOCKED OFF



Lee and Associates Offering Memorandum



78-80
ST MARKS PLACE
NEW YORK, NY

MIXED USE BUILDING
OFFERING MEMORANDUM



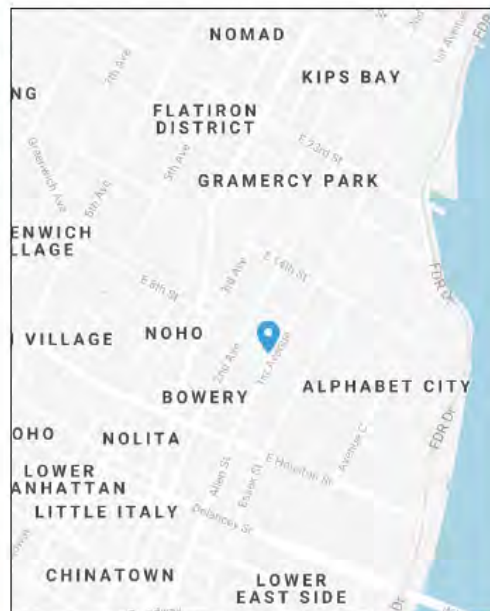
EXECUTIVE SUMMARY

Lee & Associates NYC is pleased to present exclusively for sale the mixed-use asset located at 78-80 Saint Marks Place ("The Property"). The Property spans approximately 14,500 square feet and is situated in the heart of the East Village in Manhattan. This mixed-use asset features multiple commercial spaces including a theater with approximately 200 seats, ground level retail, 2nd and 3rd floor commercial space, and 4 existing residential units. The Property provides investors with the opportunity to reconfigure the upper floors to maximize income-generating opportunities through multiple uses.

PROPERTY HIGHLIGHTS

- A few blocks away from the 4, 6, N, Q, R, L, and F subway lines
- Prime retail in the East Village with 50' of frontage on St Marks
- Bustling neighborhood with numerous restaurants & entertainment venues
- Minutes away from grocery stores such as Trader Joe's, Key Food, & Target

ASKING PRICE: \$13,500,000



SITE SUMMARY



Address	78-80 St Marks Place	
Description	Between 1st and 2nd Avenue	
Lot SF	4,875	
Lot Dimensions	50' X 97.5'	
Block / Lot	00449 / 0028	
Building Class	Walk-Up Apartment - Over Six Families with Stores (C7)	
Year Built	1920	
Gross SF	14,400	
Floors	4	
Zoning	R7A, C1-5	
Max FAR	Residential	4.00
	Facility	4.00
Max ZFA	19,500	
Tax Class	2B	
2020/2021 RE Taxes	\$151,561	

STACKING PLAN

	78 St Marks	80 St Marks
Fifth Floor	Residential Unit #4 1,075 SF Currently occupied through July 2021	Storage Space Currently Vacant 1,075 SF
Fourth Floor	Residential Unit #3 1,075 SF Currently occupied through August 2022	Residential Unit #2 1,075 SF Currently Vacant
Third Floor	Office Space Currently vacant - office/meeting space 1,275 SF	Duplex Owner-occupied 2,550 SF
Second Floor	Museum of the American Gangster Owner-operated museum 1,275 SF	
Ground Floor	William Barnacle Tavern, Theatre 80 St. Marks, FoxFace Sandwiches 4,875 total square feet across the full-lot ground floor The 160-seat theater includes above and below-grade space and slopes down into the basement level	

PHOTOS



PHOTOS



PHOTOS



PHOTOS



RENTAL ANALYSIS

RENT ROLL - RESIDENTIAL

					PROJECTED		
UNIT		FLOOR		STATUS	Monthly Rent	Annual Rent	\$/SF
Duplex	Projected	2/3	2,550	FM	\$11,900	\$142,800	\$56.00
Museum*	Projected	2	1,275		\$5,950	\$71,400	\$56.00
Office Space*	Projected	3	1,275		\$5,950	\$71,400	\$56.00
2	Projected	4	1,075	FM	\$5,017	\$60,200	\$56.00
3	Projected	4	1,075	FM	\$5,017	\$60,200	\$56.00
4	Projected	5	1,075	FM	\$5,017	\$60,200	\$56.00
Storage*	Projected	5	1,075		\$5,017	\$60,200	\$56.00
Unit Totals:			9,400		\$43,867	\$526,400	\$56.00

*Conversion to residential projected

RENT ROLL - COMMERCIAL

				PROJECTED		
UNIT		FLOOR	Est. SF	Monthly Rent	Annual Rent	\$/SF
Tavern	Projected	GRND	1,000	\$10,000	\$120,000	\$120.00
Theater	Projected	GRND	3,875	\$30,000	\$360,000	\$92.90
Unit Totals			4,875	\$40,000	\$480,000	

RENTAL ANALYSIS

INCOME & EXPENSE

PROJECTED				
UNIT	Units	Est. Square Feet	Annual	\$/GSF
Residential	7	9,400	\$526,400	\$56.00
Commercial	2	4,875	\$480,000	\$98.46
Total Rental Income	9	14,275	\$1,006,400	\$70.50
Operating Expenses			Annual	\$/GSF % of EGI
Real Estate Taxes			\$151,561	\$10.62 15.1%
Insurance			\$14,275	\$1.00 1.4%
Water & Sewer			\$7,138	\$0.50 0.7%
Electric			\$14,275	\$1.00 1.4%
Fuel			\$14,275	\$1.00 1.4%
Repairs & Maintenance			\$26,550	\$2.00 2.8%
Management Fee			\$30,192	\$2.12 3.0%
Total			\$260,266	\$18.23 25.9%
Net Operating Income			\$746,135	

COMPARABLES

RENTAL COMPS

Closed 2 Bed Rentals			
Address	Unit	Monthly Rent	Date Signed
128 First Ave	7	\$4,250	Apr-21
130 St. Marks Place	3E	\$2,795	Apr-21
86 E 7th Street	3	\$3,662	Apr-21
111 E 7th Street	22	\$3,380	Apr-21
34 St. Marks Place	10	\$3,250	Apr-21
128 Second Ave	B3	\$3,100	Mar-21
117 E 7th Street	1C	\$3,300	Mar-21
32 St. Marks Place	A10	\$3,400	Feb-21
34 St. Marks Place	5	\$2,595	Feb-21
83 St. Marks Place	2R	\$2,889	Feb-21
33 St. Marks Place	8	\$2,950	Jan-21
418 E 9th Street	5AA	\$4,000	Jan-21
Min		\$2,595	
Max		\$4,250	
Average		\$3,298	

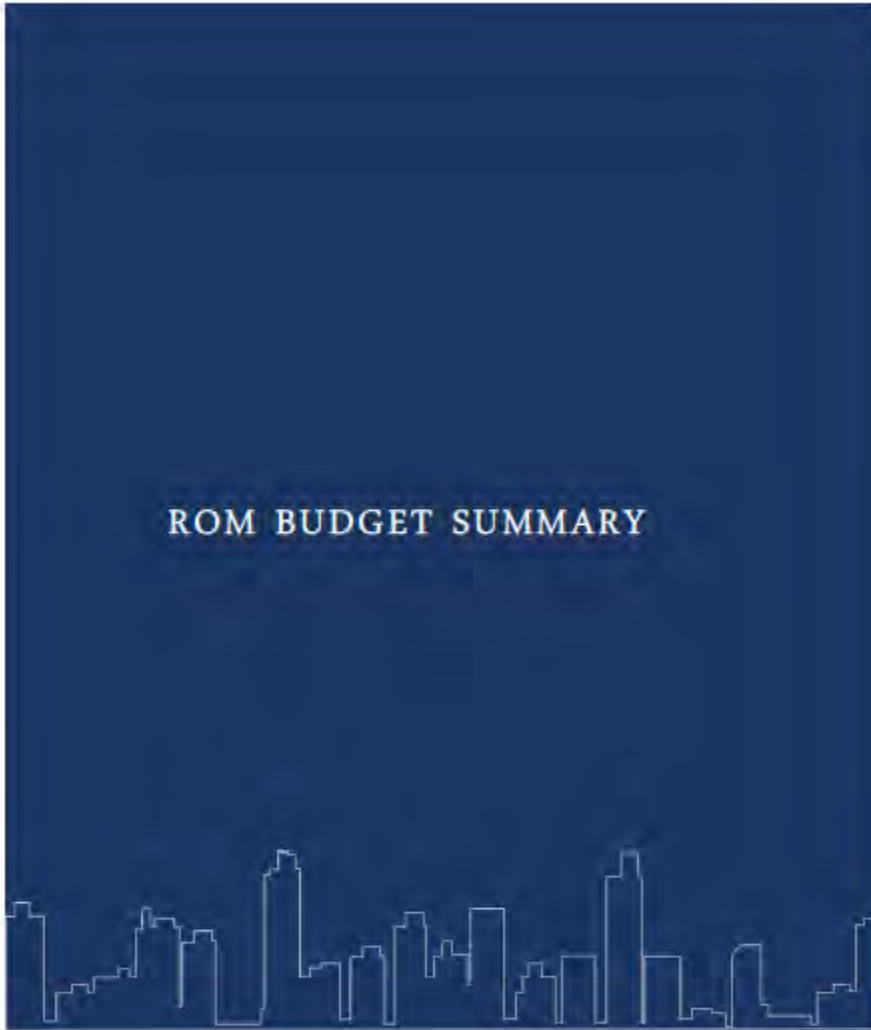
Closed 3 Bed Rentals			
Address	Unit	Monthly Rent	Date Signed
24 St. Marks Place	8	\$4,500	Apr-21
251 E 10th Street	10	\$4,500	Apr-21
90 St. Marks Place	3	\$5,200	Mar-21
138 First Ave	1	\$6,000	Feb-21
49 St. Marks Place	2	\$5,500	Jan-21
24 St. Marks Place	10A	\$3,565	Dec-20
107 St. Marks Place	3F	\$3,921	Nov-20
Min		\$3,565	
Max		\$6,000	
Average		\$4,741	

COMPARABLES

SALE COMPS

Closed Building Sales					
Address	Res. Units	SqFt	Sale Price	\$/SF	Date Signed
100 Second Ave	6	8,400	\$13,250,000	\$1,577	Apr-21
340 E 9th Street	10	7,300	\$5,980,000	\$819	Feb-21
407 E 6th Street	4	5,182	\$4,100,000	\$791	Dec-20
123 First Ave	3	3,888	\$3,050,000	\$784	Nov-20
94 St Marks Pl	8	9,000	\$8,500,000	\$944	Aug-20
100 2nd Ave	6	8,400	\$6,100,000	\$726	Mar-20
16 St Marks Pl	18	11,908	\$8,480,000	\$712	Jan-20
22 St Marks Pl	22	11,400	\$10,700,000	\$939	Oct-19
Min				\$712	
Max				\$1,577	
Average				\$912	

Wesbuilt ROM Proposal



ROUGH ORDER OF MAGNITUDE

		SF Total	Drawings	Submission
78-80 St Marks, Place, NY - Building Renovation		14,400	TBD	02.09.22
CSI	ITEM DESCRIPTION	GMP TARGET	Walk Through	Pricing Format
01 10 00	General Requirements	N/A	\$150,000.00	Unit Price
01 34 00	Scaffolding/Hoist/Sidewalk Shed	N/A	\$220,000.00	Unit Price
02 00 00	Demolition	N/A	\$195,000.00	Unit Price
02 00 00	Abatement	N/A	\$50,000.00	Unit Price
03 00 00	Shoring	N/A	\$65,000.00	Unit Price
03 00 00	Steel Reinforcement	N/A	\$350,000.00	Unit Price
03 45 00	Masonry / Façade Repair	N/A	\$145,000.00	Unit Price
05 10 00	Misc Metals (Stairs)	N/A	\$115,000.00	Unit Price
06 10 00	Drywall, Carpentry & Ceilings	N/A	\$315,000.00	Unit Price
06 40 00	Architectural Millwork	N/A	\$25,000.00	Unit Price
07 40 00	Thermal & Moisture (Roofing)	N/A	\$80,000.00	Unit Price
08 00 00	HM Doors, Frames & Hardware	N/A	\$22,300.00	Unit Price
08 30 00	Window & Storefront	N/A	\$340,000.00	Unit Price
08 80 00	Interior Glass	N/A	Included	Unit Price
09 30 00	Tile, Stone & Marble	N/A	\$216,000.00	Unit Price
09 64 00	Wood Flooring	N/A	Included	Unit Price
09 60 00	Resilient Flooring & Carpet	N/A	\$165,000.00	Unit Price
09 90 90	Painting & Wall Coverings	N/A	\$45,000.00	Unit Price
10 28 00	Accessories & Specialties	N/A	\$5,000.00	Unit Price
10 14 00	Signage	N/A	Not Included	Unit Price
11 00 00	Kitchens & Vanities	N/A	\$100,000.00	Unit Price
11 00 00	Appliances	N/A	\$45,000.00	Unit Price
12 20 00	Window Treatments	N/A	Not Included	Unit Price
13 85 00	Fire Alarm System	N/A	Included	Unit Price
14 00 00	Conveying Systems	N/A	Not Required	Unit Price
21 13 00	Sprinkler	N/A	\$94,800.00	Unit Price
22 00 00	Plumbing	N/A	\$275,000.00	Unit Price
23 00 00	HVAC	N/A	\$425,000.00	Unit Price
26 00 00	Electrical	N/A	\$315,000.00	Unit Price
26 20 00	Low Voltage & Security	N/A	Not Included	Unit Price
26 50 00	Lighting	N/A	\$12,300.00	Unit Price
32 90 00	Landscaping	N/A	Not Included	Unit Price
Subtotal			\$3,770,600.00	
Contingency - 3%		TBD	\$188,530.00	
General Conditions		TBD	\$475,095.60	
CM Fee		TBD	\$443,422.56	
Insurance		TBD	\$121,941.20	
Bond		TBD	Not Included	
Total		N/A	\$4,999,589.36	

Cost / SF
\$347.19



Limiting Conditions

The appraisal is expressly subject to the following limiting conditions:

1. Leitner Berman assumes no responsibility for the legal description provided or for matters pertaining to legal or title considerations. Leitner Berman assumes that title to the property is good and marketable unless otherwise stated.
2. Leitner Berman appraised the property free and clear of any and all liens or encumbrances unless otherwise stated.
3. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within this appraisal report. Leitner Berman assumes responsible ownership and competent property management.
4. Leitner Berman believe that information furnished by others is reliable, but Leitner Berman gives no warranty for its accuracy.
5. Leitner Berman assumes that all engineering studies are correct. The plot plans and illustrative material in this report are included only to help the reader to visualize the property.
6. Leitner Berman assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. Leitner Berman assumes no responsibility for such conditions or for obtaining the engineering studies that may be required to discover them.
7. In this appraisal assignment, unless otherwise stated in the report, Leitner Berman did not observe any potentially hazardous material used in the construction or maintenance of the building and/or the presence of toxic waste. Leitner Berman does not have any knowledge of the existence of such materials on or in the property. However, Leitner Berman is not qualified to detect such substances. The existence of any potentially hazardous material may influence the value of the property. Leitner Berman urges the client to retain an expert in this field if the client believes it is necessary or appropriate. If such hazardous material is present, the value of the property may be adversely affected and re-appraisal at additional cost may be necessary.
8. Leitner Berman assumes that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and analyzed in the appraisal report.
9. Leitner Berman assumes that all licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
10. Possession of an original or copy of this report does not carry with it the right of publication or reproduction, nor may an original or a copy of the report be used for any purposes whatsoever by anyone except the client without the previous written consent of the appraiser and the client. Out-

of-context quoting from, and partial reprinting of this appraisal report are expressly prohibited. The omission or change of any part of this appraisal report without Leitner Berman's written authorization invalidates the entire appraisal.

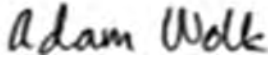
11. No part of this report (especially any opinion of value or any reference to the Appraisal Institute or to any of its designations) shall be disseminated to the news media, sales media, or any other public means of communication without my prior written consent and approval.
12. Leitner Berman is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
13. Neither all nor any part of the contents of this report (especially Leitner Berman's opinion of value, identity, or the firm) shall be disseminated to the public through advertising, public relations, news, sales or other media without Leitner Berman's prior written consent and approval.
14. Leitner Berman assumes that the use of the land and improvements is confined within the boundaries of the property described and that there is no encroachment or trespass unless noted in the report.
15. Any allocation of the total value opinion in this report between the land and the improvements applies only under the stated program of use. The separate values allocated to the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. Any value opinion provided in the report applies to the entire property, and any proration or division of the total into fractional interests will invalidate the value opinion unless such proration or division of interests has been stated in the report.
16. The American with Disabilities Act (ADA) became effective January 26, 1992. Leitner Berman has not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value of the property. Since Leitner Berman has no direct evidence relating to this issue, Leitner Berman did not consider possible noncompliance with the requirements of the ADA in developing an opinion of the value of the property.
17. Acceptance and/or use of this appraisal report by the client or any third party constitutes acceptance of the stated Limiting Conditions. Liability extends only to the stated client, not to subsequent parties or users of the report.

Certification

The statements of fact contained in this report are true and correct.

1. Adam Wolk completed a guided inspection of the real estate that is the subject of this report. Joel Leitner, MAI inspected the property via Facetime.
2. Joel Leitner, MAI personally prepared the analysis concerning the real estate that is the subject of this appraisal report. Adam Wolk assisted in the preparation of the appraisal report, conducting research and report production tasks.
3. Joel Leitner, MAI has personally reviewed the analyses, opinions, and conclusions concerning the real estate contained in this appraisal report and fully concurs with the final market value conclusion.
4. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
5. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
9. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of New York.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Joel Leitner, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

13. As of the date of this report, Joel Leitner, MAI has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
14. No one has provided significant real property appraisal assistance to the persons signing this report.
15. Joel Leitner, MAI, and Adam Wolk have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Adam Wolk
awolk@leitnerberman.com
516-316-2449
Associate Appraiser



Joel Leitner, MAI
jleitner@leitnerberman.com
347-466-3264
Certified General Appraiser
State of New York (License # 46-3011)

Qualifications

Joel Leitner, MAI
Founding Partner, Leitner Berman

PROFILE AND BACKGROUND

Joel has over 35 years of experience in real estate valuation, investment, analysis, and consultation. Joel's experience includes a diversified background in the valuation of real estate on a national basis for a wide range of applications including market value appraisals, property portfolio consulting and management, investment advisory service, valuations and consulting studies for securitization-equity based and mortgage-backed transactions, purchase price allocations, liquidation sale valuations, condemnation, tax reduction, estates, and expert witness testimony for litigation. These assignments have been conducted on behalf of foreign and domestic investment firms including major industrial corporations, leading foreign and domestic financial institutions, individual investors, leading law firms, and government agencies.

Joel's areas of specialization include preparation of market value appraisals for all types of real estate with a full range of valuation objectives; mortgage finance; investment analysis; discounted cash flow projections; before and after taxes; Ad valorem property appraisals; litigation support; consultation in the negotiations of equity investment acquisitions; market and economic feasibility studies for existing property or proposed development projects; estate valuations; and purchase price allocations. Appraisal assignments include industrial facilities, shopping centers and malls, office and medical centers, hotel and motel facilities, and apartment complexes.

Joel's real estate valuation and consulting experience has encompassed an extremely diverse range of real estate. This experience includes researching and analyzing various real estate markets within the Tristate area along with testifying as an expert witness in several local and federal courts. He has served on the panel of neutral arbitrators by the American Arbitration Association. Mr. Leitner is currently on the list of fiduciary appraisers maintained by Part 36 of the New York State Supreme Court for New York County.

PROFESSIONAL AFFILIATIONS

- MAI designation
- New York University, Adjunct Professor, Master of Real Estate
- Board of Directors of the New York Chapter Appraisal Institute (1997 – 2016)
- 2003 Person of the Year – Appraisal Institute
- 2008 President of the Metropolitan New York Chapter
- Member, Real Estate Board of New York – Real Estate Appraisal Committee (1997 – 2016)

General Certified Appraiser:

- State of New York (License # 46-3011)
- State of New Jersey (License # RG01545)
- State of Pennsylvania (License # GA003488)
- State of Connecticut (License # RCG.00011672)
- State of Maryland (License # 28730)

EDUCATION

Masters Degree in Real Estate Investment, Finance and Valuation, New York University

COMMUNITY

- Board of Directors – Brooklyn Navy Yard
- Board of Trustees – Brooklyn Hospital
- Board of Trustees – Brooklyn Historical Society
- Real Estate Co-Chair – Carnegie Hall
- Strong Support – Brooklyn Botanic Gardens
- Strong Support- Heights and Hills

Adam Wolk
Associate Appraiser, Leitner Berman

PROFILE AND BACKGROUND

Adam graduated from the University of Wisconsin – Madison in 2016 with a degree in Economics. Adam began his real estate career in commercial brokerage, developing accurate property valuation throughout the tri-state area. Adam transitioned into an appraisal role in 2019 and has had experience appraising asset classes such as multi-family, mixed-use, retail, office, development sites, and industrial warehouses. As an associate appraiser, Adam conducts market research and performs due diligence analysis on subject properties including site visits, reviewing leases, contracts of sale, operating statements/proformas, and other property specific information.

EDUCATION

- Bachelor of Arts: Economics – University of Wisconsin

Appraiser's License

UNIQUE ID NUMBER 46000003011	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1522306
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 03 28 20
LEITNER JOEL C/O JOEL LEITNER ONE PIERREPONT ST #8A BROOKLYN, NY 11201		EXPIRATION DATE MO. DAY YR. 03 27 22
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

